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¡VENCEREMOS! – CONSEJO NACIONAL DE HUELGA

1968

MEXICO

A STUDY OF DOMINATION AND REPRESSION

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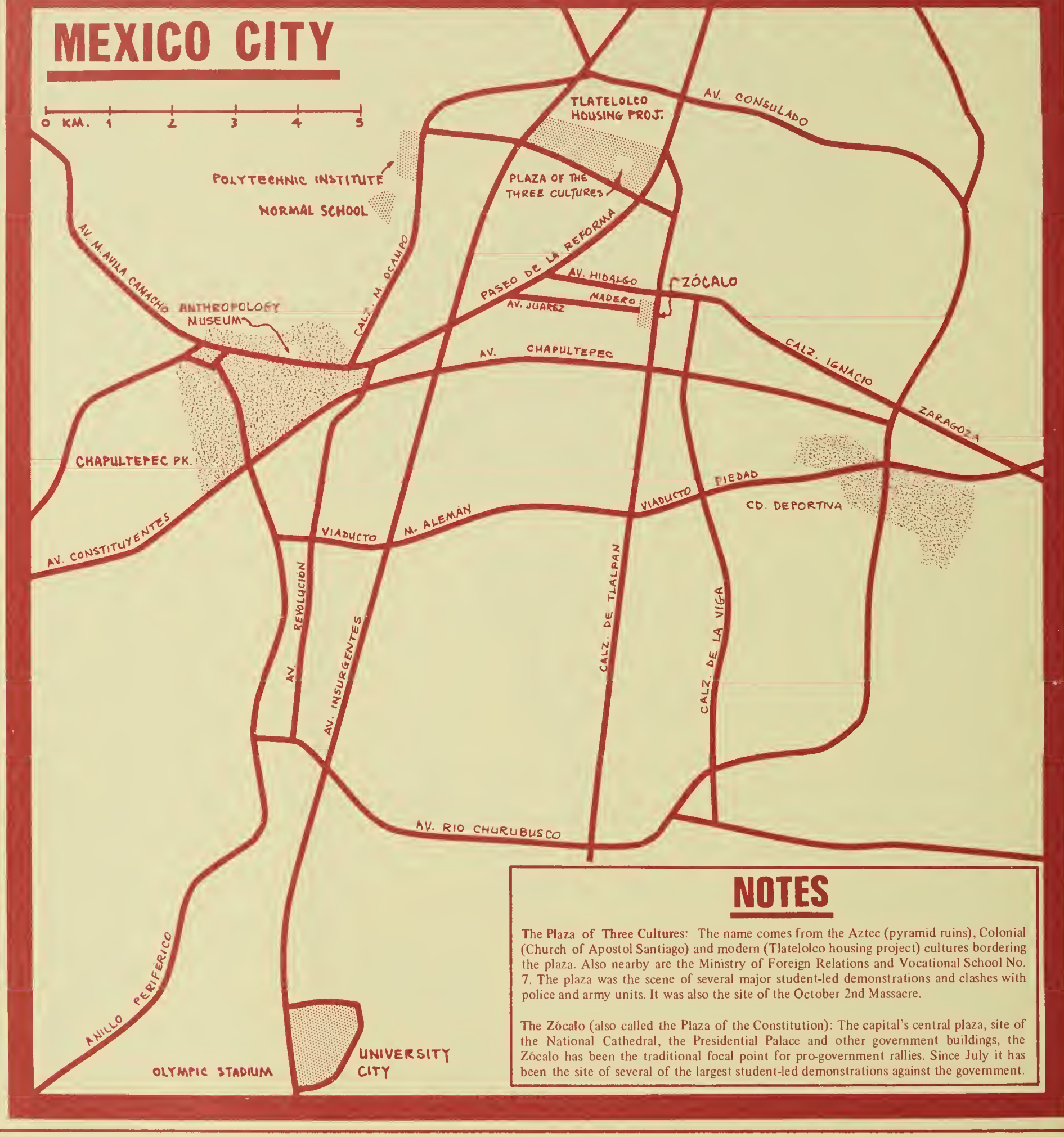

NOTES

The Plaza of Three Cultures: The name comes from the Aztec (pyramid ruins), Colonial (Church of Apostol Santiago) and modern (Tlatelolco housing project) cultures bordering the plaza. Also nearby are the Ministry of Foreign Relations and Vocational School No. 7. The plaza was the scene of several major student-led demonstrations and clashes with police and army units. It was also the site of the October 2nd Massacre.

The Zócalo (also called the Plaza of the Constitution): The capital's central plaza, site of the National Cathedral, the Presidential Palace and other government buildings, the Zócalo has been the traditional focal point for pro-government rallies. Since July it has been the site of several of the largest student-led demonstrations against the government.

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Translation of cover poster: "When a government abuses force, it becomes a dictatorship."

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MEXICO 1968

A STUDY OF DOMINATION AND REPRESSION

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Introduction...

We have prepared this pamphlet in response to the recent events in Mexico. We felt that in order to relate to the repression directed against Mexican students and workers we must first understand our own country's involvement in that repression. We do not consider the Mexican experience as an isolated example; due to objective conditions in our hemisphere and the shifting power base within the United States, we expect similar developments in other Latin American countries.

This study, prepared from research conducted over the last three weeks, is not meant to be a complete analysis. Rather, we hope the information presented will provide leads for research at the local level which can be a stimulus and guide for direct action relevant to the Mexican situation.

The NACLA Staff,
November 1, 1968

1498

PART 1: REPRESSION

ORIGINS OF SOCIAL UNREST

by Robert Freeman Smith

Since World War II, Mexico has achieved the reputation of being one of the most stable and prosperous nations in Latin America. In various ways this is a deserved reputation. The presidency has peacefully changed hands (not parties) every six years, the army has remained outside of politics, industrial production has increased, numerous modern buildings (and other facilities) have been erected, no significant guerrilla activity has developed, and the main streets of the principal cities are jammed with automobiles. All of these factors obscured the frustrations, tensions, expectations, and anger which have developed in Mexican society. Yet the careful observer has seen the emergence during the 1960's of the symptomatic evidence of developing social unrest. These manifestations generally have been sporadic and poorly organized. But they have provoked considerable concern in governmental circles, which at times has led to violent repression (and numerous casualties). Discontent with existing conditions and the use of some form of direct action have been most prevalent among peasant and student groups. During the past year one could find the following indicators of unrest:

A thousand armed peasants from the states of Querétaro and Oaxaca invaded neighboring lands the 25th of November and have refused to give them up, creating a situation in the South which is about to cause bloodshed. *(Las Novedades*, **Dec. 8, 1967).**

Soldiers under the command of a captain of the 19th cavalry regiment ... forcefully broke up a group of 100 peasants and small cattlemen who with their livestock and belongings had gone to the border to occupy lands in the 100 kilometer belt of estates belonging to foreigners. (*Las Novedades*, March 3, 1968).

Land invasion has increased to such an extent in Veracruz that *ejidatarios* have begun to take over plots in the urban area of the Jarocho port ... (*Las Novadades*, April 4, 1968).

During the summer of 1968, a diligent reader could find numerous reports in the Mexican press of peasant action to obtain land or to protect their holdings from the encroachments of large landowners.

Land is being given to the peasants by the government, but much of it is marginal. Since the 1940s there has been a growing trend toward consolidation of the more productive land into large holdings. In May 1966, Henry Giniger of *The New York Times* noted the widespread tendency to violate both the letter and the spirit of the agrarian reform laws in Sonora. He observed that the return of the latifundia was enough " ... to create some tension and agitation dangerous to social peace." This report was dramatically confirmed a year later when three days of antigovernment rioting led to the Mexican Army's taking control of the state of Sonora.[1]

Student unrest has periodically erupted into demonstrations during the 1960's. These seem to be growing in number and intensity. In late June and early July 1968, student demonstrations and violent police suppression took place in Puebla, Cuernavaca, and other cities. Students in Mexico City had participated in a variety of protest actions prior to the headline-producing events which began on July 22. On one occasion, more than twenty government-owned buses were seized by students at the National University, and held as "property-hostages" to force the authorities to compensate a professor for the loss of an arm due to a bus-inflicted injury. Local authorities often have been the focal point for such protests, but in the recent disturbances in Mexico City national leaders have also become the objects of student criticism. The marches to the Zócolo (seat of the national government) marks a new political dimension in student protests.

Peasant and student discontent differ in terms of immediate provocation. But both forms are rooted in a common socio-economic-political condition which has developed since 1940. The national administrations from 1940 to the present have emphasized industrial development and private enterprise. National wealth has increased and between 1957-67 the gross national product grew an average of 6.5 percent a year (only exceeded by West Germany and Japan).[2] This growing national affluence has benefited some groups in the country much more than others—and many rural inhabitants have not been touched at all. The vast increase in wealth and conspicuous consumption on the part of the upper income groups makes the widespread poverty stand out in much more vivid detail. The middle sector has grown in size, but as Oscar Lewis notes in his study of poverty in Mexico:

Despite the increased production and the apparent prosperity, the uneven distribution of the growing national wealth has made the disparity between the incomes of the rich and the poor more striking than ever before. And despite some rise in the standard of living for the general population, in 1956 over 60 percent of the population were still ill fed, ill housed, and ill clothed, 40 percent were illiterate, and 46 percent of the nation's children were not going to school.[3]

A recent study by the noted economist Reynold E. Carlson, clearly indicates that the national income growth did not effectively "trickle down." In Mexico between 1950 and 1957, the share of the total family income of the lowest 30 percent of the families declined from 9.9 to 7.5 percent. During the same period the share of the top 20 percent of the families increased from 59.8 to 61.7 percent. The average real income of the entrepreneurial sector—independent farmers, operators of industrial and commercial enterprises—increased 28 percent. The income of the wage earners in this sector declined 6 percent (1940 to

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Robert Freeman Smith is an associate professor of History at the University of Connecticut. He is author of *The United States and Cuba: Business and Diplomacy 1917-1960* and is working on a book dealing with the U.S. reaction to the reforms of the Mexican Revolution. He was in Mexico for six weeks this last summer.

1950: even more resources were diverted to the industrial sector during the 1950's).[4]

Unemployment and underemployment are major problems in urban and rural areas. In 1964, President Gustavo Díaz Ordaz called for the creation of 400,000 new jobs a year to meet the demand, but by 1967 the economy was producing only 180,000.[5] Rapid population growth provides a partial explanation for these continuing problems, but as Oscar Lewis has observed, the poor are, "paying the cost of the industrial progress of the nation."[6] And one might add that the poor (and the semi-poor on the lower rungs of the middle sector) also are paying the cost of the extravagant consumption of the upper income groups.

What does all of this have to do with student discontent? University students in particular do not belong to the ranks of the urban poor or the rural peasantry, and they do not protest because they are hungry or landless. But, their discontent is based in part on the fact that these conditions exist. Many of them have been indoctrinated thoroughly in the historical ideals of the Mexican Revolution and they become angry when they perceive the gap between the official professions of the revolutionary mystique and the performance of the national elite. It is indeed ironic that the Mexican leadership has been too successful in implanting revolutionary ideals in this generation of young students. The students are surrounded by slogans stressing revolution, reform, and social justice. They are steeped in an educational system and a social mythology which exalts Benito Juárez, Emiliano Zapata, and the oil expropriation of 1938. As they look around, however, they see their leaders following policies which are diametrically opposed to the professed ideals.

The historian Daniel Cosío Villegas has analyzed this situation and the declining "moral authority" of the national leaders. He writes:

All men participating in the country's public life, all politicians, ... talk as if we were living in 1920, 1928, or 1938 at the latest. They talk as if the Mexican Revolution were very much alive, as if its original goals were still prevailing, as if large and small government policies were inspired and adopted to reach those goals in the shortest possible time and to the fullest possible measure. It seems, however, that moral authority usually rests on the man whose deeds match his words and whose words do not go beyond his deeds.

Professor Cosío also observes that the reaction has won a complete victory over the Revolution in the sense that the "general mental outlook prevailing now in the country," is exactly the same as in the pre-revolutionary period.[7]

The political analyst, José R. Colín has this to say about the gap between rhetorical professions of revolutionary ideals and the actual policies of the leaders:

The "revolutionary regimes" divorced themselves bit by bit from the Revolution and from the people even though they have insisted, for their own convenience, on continued enjoyment of the benefits of the "revolutionary" label. The label performs the protective function of a vaccine–it keeps the people from seeking the fulfillment of revolutionary conquests by revolutionary means.[8]

This was written in 1950, and it now seems clear that the "revolutionary label" no longer works as a vaccine for this student generation. It has now become a stimulant which produces frustration, anger, and action. The trouble with the students is that they believe in the ideals they have been taught, and many of them want to rescue these ideals from their "safe" entombment as statues, names of plazas and boulevards, and neon-lit slogans on walls.

A related aspect of student discontent is the widespread distrust of and contempt for the national leaders and their political machine. One can find graphic expression of this on the campus of the national university in Mexico City. Several years ago the government erected a gigantic, grotesque statue of former President Miguel Alemán (President from 1946-1952, who placed great emphasis on industrialization). Today this edifice is completely enshrouded in corrugated iron sheets, because the students were hacking it to pieces. These feelings about the politicians provide at least one bond between the students and other groups. Even less affluent, conservative Mexicans talk about "Los politicos" with a sneer. Jesus Sánchez told Oscar Lewis that Mexican politics were like a peculiar card game. One fellow has two aces and asks the other participant what he has. The winning reply: "Two pistols." Sánchez concludes, "And that's the way the PRI (Partido Revolucionario Institucional) is here; it's got the pistols and anybody who objects, well, he gets run over by a car."[9]

The students know that if they accept their place in the PRI system they can rise in the social hierarchy, and perhaps eventually reach the stage where they can feed in the trough of controlled-graft administered by the government. This holds true whether they go into politics or business. Of course they can avoid these avenues of advancement and still live well; but even this course means acceptance of the policies and actions of the national leadership. Some students however want to play a meaningful role in society and do not want to be cogs in a machine. Protest activity is a way of asserting one's individuality and articulating the hope for a more humane social order. The reaction of the government to these demonstrations has reinforced student distrust of the politicians, and has converted some of the less-politically oriented students. After all, smashed skulls, gas-filled lungs, and bullet holes provide a dramatic lesson for those who are not fully aware of the place they have been assigned by the national leadership.

Thus far, I have considered only the university students, but there is another group of students whose actions cannot be analyzed in exactly the same terms. These are the secondary level students enrolled in the vocational high schools. The incident which sparked the subsequent wave of demonstrations and repressions was a fight between the students of a preparatory school and a vocational institute. The vocational students reacted angrily to the severe tactics of the riot police, and much of the military action in Mexico City centered around the vocational schools. The students at the Nonoalco Vocational School (No. 7) were particularly active and it was in this area that the army struck its hardest blow during a peaceful meeting on a night in early October.[10] The meeting was being held in the plaza which is part of a large, low-income housing complex (the school is across the four-lane street), and had attracted residents from the housing project. I would suggest that the government struck especially hard at this area because it feared the explosive potential of lower income people, and perhaps believed that the sprawling slums around Nonoalco were ripe for eruption. I would also suggest that the vocational students were particularly resentful because they had been programed into a socio-economic role with relatively fixed limits; one which has few defenses in a low-wage–rising prices situation. Groups which have lost their traditional expectations in the midst of growing opulence may well experience a "new awareness of deprivation."[11]

It is indeed true that the vocational students did not articulate these feelings at first. For many, the initial activities (seizing busses and driving them into the center of the business district, blocking streets, and marching) were probably spurred by a sense of excitement, adventure, and escape from classroom boredom. But, the police and the army showed them what they counted for in the social order, and later demonstrations indicated that excitement had been converted into political awareness.

The preparation for the Olympic Games acted as a kind of political catalyst. The expenditure of vast sums of money for the entertainment of foreigners, the decree prohibiting strikes, the official request that Mexican employees not be given vacations during the games, and the pre-game price increases all raised questions about the social utility (and cost) of such a national activity. Some Mexicans raised questions concerning the willingness of the national leaders to spend so heavily for a "prestige" item which purposefully excluded the less affluent (the lowest priced tickets sold for 18 pesos—the cheapest bullfight tickets cost 4 pesos). The especially violent tactics of the police and the army likewise stemmed from an overriding official anxiety that Mexico should appear eminently stable and peaceful prior to and during the games. University autonomy was violated, mass arrests were made of any "suspected leaders", and as a finale the army smashed a gathering by shooting participants and onlookers without discrimination. All of these things helped to illuminate certain tendencies and interests of the national elite which had been obscured by official rhetoric about democracy and social justice. In the future the leadership structure of Mexico may possibly look back on the 1968 Olympic Games as a political disaster.

As a concluding aside, I would like to make several clarifying points. I do not believe that Mexico is on the verge of revolution; it may get there, but not yet. Mexican society is no worse than many others in the world, and in some respects is a good deal better. Certainly many of the criticisms I have made could be applied equally (and more so in some cases) to the United States.

FOOTNOTES

1. *The New York Times*, May 17, 1966. *Newsweek*, August 7, 1967, p. 66.
2. *Ibid.*, p. 60.
3. Oscar Lewis, *The Children of Sanchez* (New York, 1961), p. xxix.
4. Reynold E. Carlson, "The Economic Picture," Herbert Matthews (ed), *The United States and Latin America* (2nd. ed.: Englewood Cliffs, N.J., 1963), p. 116-117. Charles C. Cumberland, *Mexico: The Struggle for Modernity* (New York and London, 1968), p. 322.
5. *Newsweek*, August 7, 1967, p. 60.
6. Lewis, *Children of Sanchez*, p. xxx.
7. Daniel Cosio Villegas, "The Mexican Revolution Then and Now," Stanley R. Ross (ed.), *Is The Mexican Revolution Dead?* (New York, 1966), p. 125-126.
8. Jose R. Colin, "The Mexican Revolution: R.I.P.," *Ibid.*, 113.
9. Lewis, *Children of Sanchez*, p. 498.
10. *Newsweek*, October 14, 1968, p. 45-48.
11. Robert L. Heilbroner, *The Great Ascent: The Struggle for Economic Development in Our Time* (New York, 1963), p. 132.

NEW OUTBREAK OF THE STUDENT REBELLION

By Hiber Conteris

Translated from "Marcha," *Año* XXX, No. 1418 (27 September, 1968) by Jackie Skiles Quayle

MEXICO CITY. France and Germany in Europe, Brazil and Uruguay in Latin America; now the last outbreak of this synchronized student rebellion that is spreading throughout the Western Hemisphere has broken out in Mexico, the only Latin American country that has allowed itself to "institutionalize" the revolution and maintain continuity in its government on the basis of a rigid, one-party system—whose strength even today seems unbreakable to its enemies on the left as much to those on the right.

In effect, Mexican students have been in a "state of war" since last July. University functioning is paralyzed, student demonstrations occur with varying frequency, and while the press daily offers different interpretations of the nature and causes of the conflict, the Government has apparently opted for acting with the greatest discretion (synonym in this case for ineffectiveness) in view of the potential international repercussions of the situation, which could well cripple Mexico's economic future. This risk, which might appear to be a mere journalistic simplification, is, nonetheless, a real one. Since the first incidents that occasioned the student uprising, the situation has been in one way or another related to the event that is at this time capturing the attention and influencing the activity of all Mexico: the imminent opening of the Olympic Games. They are the first to be held on Latin American soil and the Mexican Government has invested several million dollars in the preparations, so the return on this important investment depends on the international success of the games.

A Theme for Ionesco

Apart from this general but vague connection with the October Olympics, Mexican public opinion has not

Hiber Conteris is an Urguayan writer (author of the prize-winning *Cono Sur*), a founding member of the Church and Society movement in Latin America and a frequent contributor to *Marcha*.

managed to explain the nature of the conflict with even a minimum of coherence or clarity. An editorial writer of "Excelsior" asked a few weeks ago: "Violence in Mexico: Why?" He first analyzed the cases of Brazil and Uruguay, finding abundant reasons to explain the student uprisings in both countries. "What has caused extraordinary surprise," he continues, "are the photographs of troops, armored cars, and bazookas in action in the heart of Mexico City and the subsequent and already orderly reaction of the students against the action of the authorities expressed in three gigantic demonstrations. With a stable and legally constituted government, with the internal peace that has been Mexico's international calling card and which apparently earned it the Olympic Games, the struggle of the army with the students not only occasions surprise, but also stupefication and shock." Even more symptomatic of the reigning confusion is this paragraph taken from the same editorial page of "Excelsior" (August 13): "A fever of tragi-comic murmurings has broken out: everything has been a political *coup* of the left to get a reaction from the Government; no, it's a rightist maneuver to strengthen its position; enough—the Government itself provoked the outbreaks so that any leftist leaders who might cause problems during the Olympics could be singled out; it's none of that—the movement was plotted from above to discredit Echevarria and Corona del Rosal as potential candidates; no,no—the CIA and the FBI are behind it all; that's absurd—Fidel Castro . . .is behind it all; no, be quiet, the disorders were planned in advance and occurred before those who planned them anticipated in order to attack Mexico and endanger its tranquility, its order, its stability, and what is worse, the future of all the poor young people of Mexico."

This quotation summarizes with plausible objectivity the wide gamut of positions and interpretations into which Mexican public opinion has been divided since the conflict began. It must be recognized that even various student organizations have contributed to fostering this confusion with their frequent communications in the daily press of the capital. Without intentions to be contradictory, responsibility was laid to the CIA, the infiltration of "elements outside the student milieu," and semi-identified agents of various security agencies and the Government itself, in many of these communications. In a surprising article in "Siempre" by Alfredo Kagawe Ramia, an audacious but forseeable comparison was made: "Just as in one of those plays of the so-called theater of the absurd in which the most valid concepts are taken out of their logical context and are given a grotesque connotation, forcing them to stand by themselves and of themselves for the purpose of ridiculing good judgment ... for anyone who read the newspapers or who walked through the streets (the theater of these well-articulated outbreaks), suddenly as if drunk or drugged, that which appeared coherent at the beginning and obeyed the laws of logic, was transformed as if by magic into a comedy of equivocations, about-faces and absurdities." Except for the deliberate simplification of the conflict, the obvious necessity to minimize the causes of the student uprising and to justify the sectors representing "order" and the state, the allusion of the "Siempre" writer to magic and the theater of the absurd is admissible. With the exception of a few, solitary voices that managed to reach the press, and the somewhat muffled and ignored voice of the National Council of the Struggle (sic) that the students managed to establish, no one came up with or even showed that they wanted to come up with a rational

explanation of the events. No one seemed disposed to counteract the festive atmosphere created by the October Olympics. No one seemed to consider it opportune or even patriotic to judge the action of the Government or the armed forces at its command. No one—or at least very few people—showed themselves willing to take advantage of the situation or the acknowledged mystification of the last thirty or forty years of Mexican revolution.

The Incidents of July and August

Nonetheless, everyone is in accord that the events of July 22 were the starting point and—in agreement with official circles—the only cause of the conflict. Of course the hypothesis of a possible "demonstration effect" related to the well-publicized revolution of the Latin Quarter last May, was not absent. A series of articles written by Carlos Fuentes, luxuriously printed and distributed with a series of photographs by Editorial Era . . . seem to support this thesis. But the leaders of the National Strike Council made a point of denying any connection between the two outbreaks, thus keeping public opinion from being distracted to peripheral aspects of the problem and avoiding the "internationalization" of a situation and an attitude having roots that were profoundly national in character.

On the afternoon of July 22, two groups of students from the Isaac Ochoterena Preparatory School and from Vocational School No. 5 (both secondary schools) became involved in a "domestic" dispute attributed by different sources variously to an old rivalry, problems over girls, pure excitability, or surpluses of student energy. The conflict might have gone no further than the publicized rock-throwing and attacks by the two antagonistic groups. However, to the surprise of everyone, the authorities decided to intervene with the *granaderos* corps. As a consequence, repression of the students became widespread, the *granaderos* invaded the educational establishments involved, and the flames of disorder were kindled.

Four days later, on July 26, two separately organized student demonstrations converged in the center of the city. One of them was basically a product of the university—it was of international, anti-imperialist nature; its themes were the Cuban revolution, Vietnam and the denunciation of North American imperialism. The other demonstration was planned by the National Federation of Technical Students (FNET), with close ties to the vocational schools and to the National Polytechnical Institute (IPN), institutions that do not have the university's autonomy and are responsible to the Secretariat of Education of the Federal Government. The slogan of this second demonstration was:

"Halt repression." Both groups found themselves downtown and they determined a common route: they headed for the Zócalo, that is, the central plaza of the capital where the Cathedral, the National Palace and the physical plant of the state are located. From this moment on, the demonstration ceased to be a simple, abstract, anti-imperialist demonstration. It became a concrete confrontation with the established power. The consequence: the second appearance of the *granaderos* and even more violent repression than before; student leaders began to make accusations of the existence of a strategy of persecution and not just simple breaking up of demonstrations. The students responded with violence: more rock-throwing, broken windows, damaged or semi-destroyed vehicles; in other words, the well-known responses.

The Government appealed to the Army, the third time that the PRI (Institutionalized Revolutionary Party) has availed itself of the Army to suppress popular demonstrations in the capital. The first time was in 1956 to control the Polytechnical Institute students; the second, in 1959, because of the teachers' and railroad workers' strikes. This time, in 1968, the soldiers arrived at the University City with bayonets; the doors of places occupied by students were forced open with bazooka shots. A number of students were hurt. There was great popular turmoil; diverse groups of intellectuals, professionals, artists, writers, and university administrators and teachers manifested unanimous support for the students.

The university strike was decreed. The traditionally divided student associations of the technical courses (the IPN and the vocational schools) and of the University, formed a common front and strategy for the struggle. From his opportune "exile" in Guadalajara, President Díaz Ordaz published a call for harmony.

On August 13 there was a new demonstration. This time it was a gigantic one of proportions rarely seen in Mexico City. The mass of more than 100,000 students ended up again in the Zócalo. The events were carried out with great order and the *granaderos* were restrained. The National Strike Council established by the students publicly announced their strategy: the strike and demonstrations would continue until the Government accepted the . . . demands of their program:

1) Liberty for political prisoners;
2) Disbandment of the *granadero* corps;
3) Dismissal of Generals L. Cueto Ramirez and Mendiolea, chief and deputy chief, respectively, of the Police;
4) Abrogation of article 145 and 145 *bis* of the Penal Code that establishes the crime of "social dissolution;"
5) Compensation to wounded students and to the families of students who were killed.*

The Antecedents of the Student Revolt

For the first time the university-level student population is united. For a long time the Government promoted division if not direct confrontation between the two main branches of this educational level: the university and the Polytechnical Institute. The university has traditionally represented the middle and upper sectors of Mexican society. Its autonomy was an intellectual victory more than a political one. The social role that it might have played by taking advantage of this autonomy was in a certain way neutralized by the socio-economic origins of the students themselves. The IPN, on the other hand, was the natural environment of the sons of workers and peasants . . . The organization that represents these students, the FNET, has traditionally supported the populist approach of the Mexican Government, acted in accord with its political line, and more than a few times was in direct opposition to university student organizations.

Thus neither university nor technical students have until today represented a decisive factor for change on the power relationships of the Mexican socio-political-economic system. Student leaders themselves now recognize this fact. The government of Lazaro Cardenas (1934-1940) was the last one to permit large, mass movements that fostered democratic demands for redress of grievances in the country. From Avila Camacho (1940-1946) on, the Government has attempted to control popular movements. Aleman (1946-1952) suppressed the right to strike . . . Ruiz Cortines (1952-1958) was responsible for the bloody repression of the peasants of the Agricultural Credit Union; Lopez Mateos (1958-1964) repressed the teachers' and railroad workers' strike. Between 1948 and 1961 the labor movement lost the militant and democratic character that the Cardenas era had stamped it with.

The national bourgeoisie, having captured control of the government, has managed to dominate it with populist slogans and vertical organizations that are controlled directly from above. This populist ideology, characteristic of the Mexican revolution, does not dispense with mass participation but limits itself to using it to its own interests. Every time popular demonstrations serve the internal or foreign policy of the country, the Government employs them. Whenever they take on a militant, democratic character, whenever they contradict the interests of the national bourgeoisie and its representatives in ruling circles, whenever they imply a confrontation with established authority, from the top down, they are repressed.

Nor has the student sector escaped this control. Up until 1956, the only organization that indiscriminately grouped young people in general and students together, the Confederation of Mexican Youth (CJM), represented the interests of the governing bourgeoisie. In 1956 the Polytechnical Institute was invaded; the students lost confidence in the regime. Until then the Institute had functioned with relative autonomy. After this armed intervention, it became totally subservient to the Secretariat of Education. This is when what Mexican students call the "dark age of the student sector" began. It is the apogee of *charrismo* (caudillismo), the compromise and corruption of student leaders, the unconditional servants of the regime.

Until this moment, the university was indifferent, apathetic, or merely reactionary. Only after 1963 (called the year of student democratic resurgence), with the intervening Cuban revolution, could signs of greater international and national political awareness be discerned. In this year, the first Conference of Democratic Students was held in the province of Morelia and the National Association of Democratic Students was constituted, with full participation of the Mexican left. Three years later, in 1966, the movement had grown, but its maturity was a relative one. The Government managed to use the students at this time to depose the rector of the university, Ignacio Chávez, and to install Barros Sierra in the post. The students discovered the maneuver belatedly, but the movement

* A sixth demand, not treated in this article, is as follows: Establishment of the responsibilities of the authorities for the acts of repression and vandalism through actions of the police, the *granaderos* and the army.

acquired greater consciousness of its struggle as a result. In 1967, the first great student victory was won: the solidarity strike with the National Agricultural School and the Higher School of Agriculture in Chapingo and Ciudad Juárez, respectively. This strike achieved the integration of the latter, which had formerly been administered as a private institution by the Escobar brothers, into the University of Chihuahua, thus ending the concession granted by the Government.

On the basis of this history, 1968 becomes the key year of the student movement. It is also a key period for the Mexican Government. It is the year of the Olympics: large economic investments and a decisive confrontation with international public opinion. By means of the control. exercises in three of the basic popular organizations, the Government can guarantee the "social peace," stability and, in a certain way, the success of the event. These organizations are the National Peasant Confederation (CNC), the Confederation of Mexican Workers (CTM), and the National Confederation of Popular Organizations (CENOP). The only sector that escapes its control is the student movement. This may be the source of a catastrophe. The signs that may be discerned in the world at large lead to expecting the worst: student uprisings in France and Germany, disturbances in Brazil and Uruguay. This summary of the indicators in the international order, the tense expectations resulting from and the seemingly insignificant events that occurred on July 22 led to this gross blunder by the Government. The police chiefs as well as the chief of the *granaderos* and the generals of the army failed in detecting or interpreting the signs of this domestic incident and unleashed the formidable apparatus for repression prepared for emergencies before it was necessary and without justification, thus detonating—involuntarily and without realizing it—the most potent social and political explosive of the student rebellion.

The Significance of the Struggle

The five points of the National Strike Council demands represent somewhat more than a simple compensation for the excesses of the Government. The leaders of the Council themselves admit that it is not a revolutionary program but believe that this is the way in which the struggle should be conceived in order to obtain the backing and at the same time, the integration of other sectors into the movement, sectors that are not yet prepared for action that implies "revolution in the revolution." That is, they are not prepared to participate in a movement that questions the fundamental institutions of the nation, understood as an abstract entity of the social classes that is above the differences, inequities and struggles between them.

The demands are thus popular in their content, "outward looking," and of reformist nature. As was stated above, the first of these demands solicits the freeing of political prisoners. It is hoped thereby to destroy the democratic myth of the Mexican state in relation to public opinion. A letter from Victor Rico Galán, written from Lecumberri prison, has been the first fruit of this demand. "We political prisoners," says Rico Galán in part of his letter, "accept our fate with dignity and pride because it is the fate of the grand majority of the Mexican people. And we do not feel sorry for ourselves; we ask for nothing. There are men without freedom inside these walls and there are men without freedom outside them, for only those who fight, the combatants, are free."

The second point asks for the disbandment of the *granadero* corps and the dismissal of their chief, General Frias. This request is based on the fact that the existence of this corps is unconstitutional. The Mexican Constitution admits only the existence of the police under the jurisdiction of the Judicial Department. The *granadero* corps was created in 1944, during the presidency of Avila Camacho, after he had resorted to using the army to put down a strike in the munitions factory. Thus the purpose of the corps is eminently repressive, which is why it enjoys a special antipathy and discredit among popular groups.

The dismissal of the chief and deputy chief of police, as well as the abrogation of articles 145 and 145 *bis* of the Penal Code, as contained in the third and fourth points, are aimed at obligating the Government to accept its responsibility in the development of recent events and at the same time, the elimination of the legal instruments that permit it to find a juridical basis for such actions. The articles mentioned establish the so-called crime of "social dissolution," which can be extended to cover any mass demonstration or movement that goes against official interests.

The last point in this program would have the Government make a gesture of compensation whose scope would not be limited only to the student sector, but would include the family nucleus related to a student wounded or killed in these incidents. In this way the identification of the university and polytechnical groups with other popular sectors directly or indirectly affected by the events would be established.

But more important than the enumeration of these objectives is emphasizing the significance and strategy (the latter being intimately related to the former) of the student struggle. The strike has been accompanied by a series of round tables and seminars whose functioning and organization depend as much on professors as on students. Some of the themes selected for these activities are: "Mexico, the student movement, and its place in the class struggle;" "The crisis of the university in the present world;" "The political and economic structure of Mexico;" and "The student movement in the world and the revolution."

Simultaneously, the National Strike Council has created the so-called "Political Brigades," groups of five to ten students who are specially trained and disciplined and whose function is agitation, propaganda, and organization of the forces in the struggle among the popular sectors. The brigade appears unexpectedly at predetermined times, places and occasions, holds a lightning-fast meeting, puts forth its points of view, hands out flyers, disbands the meeting, and itself disappears ten or fifteen minutes later, before the police or any other repressive force has been able to do anything.

The political and social significance of the struggle, the insertion of the events of last July and August in the context in which the class struggle takes place in Mexico and the rest of Latin America is without doubt what imparts true significance, permanence, and specifically revolutionary character to the rebellion of the Mexican students.

EYEWITNESS REPORT
September 24, 1968

(From an anonymous source)

The people who seem to be faring well these days in Mexico City are the newspaper venders. They are able to sell their newspapers in a quarter of the usual time, and have the rest of the day or night to themselves. The government controlled press gives only a fraction of the news, but the Mexicans are sophisticated and have long ago learned to read between the lines (see box on government control of the press). Occasionally a small paragraph of meaty material creeps in. For example, the Mexican daily, *El Día* (moderately leftist in its international coverage but, like its fellows, pro-government on domestic affairs), reported of last night's battle in the Tlatelolco neighborhood,

On numerous occasions the police chiefs and journalists had to intervene to prevent the *granaderos* (riot police), who seemed to be in an unusually exacerbated state, from beating those whom they had detained. Detentions were made indiscriminately.

while *El Heraldo,* (a conservative daily) reported the shooting of a *granadero* by an army lieutenant whose mother, sister and cousin had been offended by the *granadero's* brutality. (*El Heraldo,* Sept. 22, 1968, p. 7A)

During the last few days, bloody clashes between students and *granaderos* occurred in perhaps a hundred different places in the city, so that what Mexicans are not able to read in their newspapers, many of them have been able to observe from their own windows.

"During the Olympic year of 1968, Mexico throws open her gates and her heart to the people of all nations"

Publications Department,
Organizing Committee
of the Nineteenth Olympiad

Next to students and young people who make the mistake of looking like students, those who feel most insecure are foreigners. Article 145 of the Federal Penal Code (see box on the six student demands) is a law which metes out punishment to persons guilty of "social dissolution", a vaguely defined crime which empowers the police to arrest anyone (Mexican or foreign) for any reason at any time. Effectively, the Mexicans are left without civil rights. Mexican citizens fare well, however, by comparison to the unhappy foreigner who is picked up under this law.

The case of Pete Seeger's daughter, Mika, is by now well known. What is less widely known is that Mika was not a student here in Mexico, was not involved in the student movement, but was here on a tourist card, and was randomly picked up on the street by a car full of *granaderos.* Her arrest was part of a not very original effort by the Mexican government to make the "disturbances" appear to be the work of foreign agitators, mostly young veterans of the May Revolution in France. To that end, Mexicans with foreign last names were featured on the list of "principal agitators", and the police went so far as to record Mexican names like Emilio, Antonio and María Antonieta as Emile, Antoine, and Marie Antoinette, respectively, with duly francanized last names.

These people, together with other Mexican students, were accused of distributing drugs at the University to incite their fellow students to riot (El *Sol,* July 30, p.l.). The accusation seemed doubly ironic. On the one hand because of the absurdity of supposing that anyone would distribute marijuana and heroin among students he hoped to get out and fighting in the streets. And on the other hand, because if *anyone* knows the nature and effect of drugs, it is the Mexican police.

But, so it goes. The search for foreigners to burn continues. A young architect who gives classes at the National School of Architecture had been studiously avoiding involvement. A Chilean citizen by birth, he had lived most of his life in Mexico—sufficient time to learn what the extent of his civil rights would be if he were to be taken by the police. On the night of September 19th, policemen entered his home, surprised him upon his arrival, and took him prisoner. This morning we read in *Exelsior* that, together with other foreigners, he has been sentenced to 5 years imprisonment, a 50,000 pesos fine, and immediate deportation upon completing his sentence. From what we know of the Mexican penal system (e.g. see Oscar Lewis', *The Children of Sánchez*) and what we read of the exceptionally brutal treatment of political prisoners, Régis Debray is to be envied for the physical security that the publicity of his case afforded him.

However, not every foreigner in Mexico City is feeling this painful sense of political insecurity. Mexico has had one visitor in recent weeks who always seems to be on top of the situation, however far from home he wanders.

A Visit From the Coup-Maker

We were first made aware of Lincoln Gordon's impending arrival in Mexico when a cheerful voice on the English language station announced that he would be the guest of honor at a meeting of the American Chamber of Commerce, (a group of former Rotarians Elks, Shriners, Kiwanis, and other businessmen who have managed to create "a little bit of home" right

here in Mexico City).* Why the famous designer, director, producer, and co-ordinator of Brazil '64 should choose to visit Mexico at this time is not clear. He did take the opportunity, while in Mexico City, to say a few words on—of all subjects— student violence. According to the report in *The News*, (Mexico, D.F., August 30, p. 1-2),

...The violent activists "are the preachers of destruction for its own sake." They pretend to have a cause for sweeping away all forms of established order. "They have no notion of what to put in its place other than vague and empty phrases...The heroes of this group are Mao Tse-Tung and Che Guevara."

Of Che Guevara, Dr. Gordon said, "His miserable failure as an economic administrator in Cuba demonstrated his total absence of constructive purpose...He knew how to destroy, but he knew nothing of how to build."

Gordon said that the education system must be changed to teach rebels that facile solutions are romantic illusions and that they must learn to think what to put in place of what they destroy.

Nothing very remarkable about Lincoln Gordon's speech. The only remarkable thing is his sudden appearance on the scene, flying down from Baltimore to be the guest of honor at the American Chamber of Commerce dinner. This otherwise unexplained journey —together with some equally inexplicable moves on the part of the Mexican government—have troubling, if not ominous, implications.

The Rise, Decline and Resurgence of the Student Movement

The Mexican student movement has received some attention from the North American news media, so that it is generally known that what, in mid-July, started as a minor brawl between students of two preparatory schools, due principally to intervention by the police, by mid-August had grown into a general strike of schools supported by students. The Repression—Growth phenomenon has operated in the standard manner. Several hundred students stage a peaceful demonstration to commemorate the anniversary of the Cuban Revolution; they are brutally beaten by the police* and the next day the student movement counts several **thousand** activists. The students of a preparatory school retreat into and occupy their building. The door to the school is blown off by a bazooka; the *granaderos* enter; several students are killed. The student movement grows. In broad daylight, close to one hundred men in plain clothes, face masks and unmarked cars machine gun the facade of Vocational School Number 5. At night they return with doubled strength, enter the school and beat up those students they still find within.

And so it goes; the movement gains strength. The incidents of submachine-gunnings of occupied school buildings increase. So does the number of

Young victim of the 'Massacre of Tlatelolco,' Mexico City, Oct. 2, 1968.
(See p. 16)

people who, enraged by this repression, join in solidarity with the students. On August 27, between 300,000 and 400,000 people marched from the Museum of Anthropology in Chapultepec park, along the flowered Paseo de la Reforma, up Avenida Juárez to the Zócalo the Constitutional square. Their ranks are orderly and extremely well organized. In addition to the students and large delegations of their parents, brothers and sisters, sizable contingents of railroad workers, oil workers, electricians, taxi drivers, and push cart peddlers, as well as small groups of peasants—many from outlying states of Mexico—participate. As a matter of policy, portraits of Mexican heroes—Emiliano Zapata, Benito Juárez, Miguel Hidalgo, etc.—were carried in preference to el Ché, Mao, Marx, etc. The attacks on President Gustavo Díaz Ordaz were sharp and direct—something unprecedented in modern Mexican history.

Many of the signs, appropriately enough, deal with the Olympics, highlighting the irony of claiming 1968 as the "Year of Peace" in Mexico, and expressing a deeply felt disgust at the expenditure of thousands of millions of pesos on sports arenas, publicity, and housing for foreign athletes and their retinue by a government which is unable to find the resources to provide housing, medical services, primary education, etc. for a vast sector of its population. "Mexico will win the gold medal for repression", "Welcome to Mexico, seat of the Olympic butchery—1968", read the placards. Others depict the olympic dove of peace with a knife in its breast; the five ring olympic symbol as five smoking grenades; and a *granadero* racing along with his club held aloft like a flaming olympic torch.

A great number of placards called for the liberation of Demitrio Vallejo, one-time head of the railroad workers union, held prisoner since 1959 for social dissolution. Probably the slogan which came closest to the point was that which explained, "We are not agitators. Hunger and hopelessness are the agitators."

* Gordon, US Ambassador to Brazil, 1961-66, played a key role in the 1964 military coup d'etat against the left-leaning **Goulart** government. He became Assistant Secretary of State for Inter-American Affairs (1966-67) and is currently President of Johns Hopkins University, and a State Department consultant.

* On the same evening (July 26th), the police took the occasion to break into and destroy the printing office of the Communist Party which, it should be remembered, is a legally registered Mexican political party. The printing office was located on Calle Mérida No. 186, some miles distant from the site of the student demonstration on Avenida Juárez.

Decline and Resurgence of the Movement

Not only did the movement follow the standard pattern of growth, by mid-September it had entered a period of decline all too familiar to anyone acquainted with similar movements. On Friday, September 13th, a second march—this one silent—from Chapultepec park to the Zócalo was held. The demonstrators were astonishingly well-disciplined, and the effect of their silence was tremendously moving. However, the demonstrators amounted to only a third of the original group which had moved along this same route on August 27th.

Soon we began to hear the standard troubling rumors: that the movement was suffering from internal divisions; that a large number of students had tired of the strike and wanted to take their exams and finish out the term; that many professors originally standing with the students were no longer disposed to support the strike. The movement had reached the stage where it might have been broken, or at least controlled by ordinary political methods at which the Mexican government is expert. It would seem simple enough: Some people you buy, some people you threaten, and some people (as is traditional in the Mexican student-government relation) you offer government positions.

The Death of Autonomy

The government has done none of these things. The situation was highly susceptible to political manipulation and control, and yet political methods were not applied. Instead, on the night of September 18th, several thousand army troops sealed off the University City, as the area is called, invaded the grounds of the National Autonomous University (UNAM) and, in a room-to-room search of the gigantic educational complex, took close to 3,000 prisoners,—among them several hundred professors and teaching staff, and a large group of parents who had been meeting to discuss support for the students.

The University, it will be remembered, is an **autonomous** institution—which refers to the fact that, together with many institutions of higher learning in the federal entities of Mexico, it has won the right to govern itself, completely free from intervention by civil or military authorities. It is, therefore, unconstitutional for the police or the army to enter Ciudad Universitaria (University City) which is the defined boundary of the campus.

Ironically enough, the intervention of the army was justified by the Secretaria de Gobernación (the Ministry of Internal Affairs) as an effort "to re-establish the internal authority and safeguard the autonomy of the University" which was threatened by "alien persons" (presumably the students and their professors). (*El Heraldos,September 19, pp. 1 and 13a).*

Somehow familiar—the idea of invading a university to preserve its autonomy. We can think of another country which is given to invading nations to protect their sovereignty, annihilating populations so that they may live in freedon and, generally speaking, destroying things in order to save them. In fact, the rhetoric which explains the military occupation of an autonomous university sounds positively Lincoln Gordonesque.

Student Baiting

Far more disturbing than any similarity of rhetorical style is the question of why the government has chosen to escalate a situation which, during the last three months, they might easily have calmed. On September 1, President Diaz Ordaz gave his annual report to the nation. Mexicans waited anxious-

ly to hear what kind of concessions would be made so that order would be restored before the beginning of the Olympic Games on October 12. No concessions were forthcoming. The government position remained one of inflexibility.

By September 20, some of the most conservative sectors of the population seemed to have had enough of government intransigence. On that day *Ultimas Noticias* (p.1) quoted the head of the National Chamber of Congress–a recognized political organ of business interests–as calling for moderation, flexibility and guarantees that no recriminations would be made against those in the National University who had taken part in the strike. Yet the government had remained rigid in its position, and the provocation of students by the police has continued.

The "stupidity" of the government's insistant escalation of violence is difficult to explain except in terms of a right-wing effort to set the stage for a military coup . With the Battle of Tlatelolco the Mexican people find themselves in a virtual state of siege.

The Battle of Ciudad Tlatelolco

Ciudad Tlatelolco is a modern development of high rise apartment houses near the heart of Mexico City. The buildings are of two kinds: private middle income apartments renting to middle class, white collar types (including considerable numbers of government workers), and public housing provided for low income government employees under the welfare program of the ISSSTE, the Institute of Social Security for Workers at the Service of the State.

Gen. García Barragan

THE SIX DEMANDS

1) **Repeal Articles 145 and 145 *bis* of the Penal Code.**
Passed during World War II to provide a means of dealing with the rise of a fifth column in Mexico, these laws define the crime of "social dissolution" (similar to U.S. Alien and Sedition laws). Articles 145 and 145 *bis* provide for sentences of 2-12 years for any Mexican or foreigner who diffuses ideas or programs of any foreign government that disturb public order or affect Mexico's sovereignty. It also provides sentences of 10-20 years for any Mexican or foreigner who carries out acts "which prepare materially or morally for the the invasion of national territory or the submission of the country to any foreign government."
The Government has used these catch-all laws to jail anyone who it wants to get out of the way–such as Demetrio Vallejo and Valentín Campa who led the 1958 railway workers' strike (still in jail on indefinite sentences), the Communist muralist Alfaro Siqueiros (recently released) and leftist journalist Victor Rico Galán (in jail without trial since 1966).

2) **Free all political prisoners.**
There are estimated to be over 300 political prisoners arrested and in jail since July alone. Many more have been in prison for years.

3) **Dismiss Generals Luis Cueto Ramirez and Mendiolea, Chief and Deputy Chief of Police respectively.**
This demand is aimed at obligating the Government to accept its responsibility in the development of recent events (see also demand No. 4).

4) **Establish the responsibility of the authorities for the acts of repression and vandalism due to the actions of the police *granaderos* and Army.**

5) **Disband the *granaderos* and dismiss their chief, General Frías.**
Since the Mexican Constitution allows only the existence of the Police under the Justice Department's jurisdiction, the *granaderos* corps is unconstitutional. These special riot police have acquired a particularly repressive character ever since they were created in 1944 after President Avila Camacho had to resort to using the army to put down a strike in the munitions factory.

6) **Compensate wounded students and families of students who were killed.**
There are at least 68 dead (some estimates run as high as 300), thousands wounded and maimed bv police bullets, bayonets, grenades, billy clubs, and run over by tanks and armored trucks.

Since the massacre of October 2nd, the National Strike Council (CNH) has refused to discuss the above six demands until three new demands are met:

1) End the repression;
2) End the military occupation of the UNAM;
3) Release all prisoners taken after July 26th.

The CNH also demands that the government discuss its petitions publicly, with radio and television coverage.

Until the night of September 22, the *barrio* was famous principally as the site of the Plaza of the Three Cultures, alluded to in the quotation above. Here, the sixteenth century colonial church of the Apostle Santiago stands directly adjacent to recently excavated Aztec ruins in a plaza bound on the north and south, respectively, by Vocational School Number 7 and the modern headquarters of the Ministry of Foreign Relations, and to the east and west by high-rise apartments of the ISSSTE.

During the weeks of the student strike, Vocational School No. 7 and the adjacent plaza have been the site of some of the most violent and frequent clashes between students and police. The residents of the area, from their towering buildings, have been afforded an exceptionally clear view of what the police intervention has meant for the strikers. (It will be remembered that Vocational No. 7 was the victim of two machine gun attacks, on August 29 and 31).

Again and again the students have gone up into these neighboring buildings seeking either refuge or materials–bottles and rags–to make molotov cocktails. From the start, in spite of a certain fear and hesitancy on the part of these people, the students received material and moral support–from the residents of the middle class houses as well as the people of the ISSSTE buildings.

Thus, on September 22, when the students dug in for what they expected to be a gigantic army effort to take Vocational No. 7, the people of Tlatelolco sat down at their picture windows in what had become almost an evening ritual to see how the students would defend themselves. One resident of Ciudad Tlatelolco observing the events from his window, described the Battle in this way:

I got home yesterday at 4:30 in the afternoon, and from my window counted 10 buses that the students had obviously captured and set up in front of the school to form a barricade. They had sealed off all streets leading into the area by directing traffic themselves and sending all cars off onto other routes.

Around 5 o'clock they began to siphon gasoline out of the captured buses and those cars still parked in the area. Next they moved systematically from house to house collecting bottles and rags, and as we later found out – helped the people in the ISSSTE buildings to construct barricades, similar to the ones with which they had fortified the school.

At 6 o'clock, looking out the kitchen window, I could see that the entire *barrio* was ringed with *granaderos* and army troops. Including only those I could see, I think there were more troops out there than I've ever seen together in one place in all of my experience in Latin America. But the school was incredibly well fortified – although the students had no firearms, or, if they had them, they never used them.

Basically it was a trap to draw the *granaderos* into a building from which they would not emerge on their own feet.

THE ANTAGONISTS

Political Parties

Partido Revolucionario Institucional (PRI), Institutional Revolutionary Party, founded in 1928 by the more powerful elements to emerge from the Mexican Revolution, the PRI has dominated the country's political life ever since, making Mexico the "modern world's most long-lived example of a one-party state." (*Washington Post,* 7/14/68). As it evolved it achieved stability by incorporating into the structure the three main sectors of Mexican life, each with its PRI-controlled organization:

The *Confederación Nacional de Campesinos* (CNC) representing the agrarian sector.

The *Confederación de Trabajadores Mexicanos* (CTM) representing the labor sector.

The *Confederación Nacional de Organizaciones Populares* (CENOP) representing the urban middle class.

Increasingly, a fourth sector, big business, industrial and commercial interests, has played a major role.

Whereas the PRI's platform once declared (before 1945): "The Party recognizes the class struggle is a phenomenon of a capitalistic regime" and considers among its main objectives "the preparation of a workers democracy as a step toward a socialist regime," by 1958 all mention of class struggle and socialism disappeared.

Partido de Acción Nacional (PAN) founded in 1939 by conservative interests close to the Roman Catholic Church, it has recently won several seats in the Chamber of Deputies.

Partido Popular Socialista (PPS) founded in 1949 in a split to the right from the Communist Party has also won a few Deputies' seats; headed by Vicente Lombardo Toledano, ex-communist labor leader.

Partido Auténtico Revolucionario Mexicano (PARM) a PRI offshoot headed by Secretary of Defense General Marcelino Garcia Barragan is a veterans' lobby which usually supports the PRI program 100%.

Individuals

President Gustavo Díaz Ordaz–former PRI Deputy, Senator and Interior Minister, took office in December 1964 for a six year term. "Officials in Mexico City and Washington are convinced that in his three years in office he has brought relations between the two countries closer than at any other time in recent history." (*New York Times,* 10/28/67).

Alfonso Corona del Rosal–appointed mayor of Mexico City by Diaz Ordaz, former PRI Chairman and possible successor to Diaz.

General Marcelino García Barragán–Minister of Defense, head of PARM.

General Luis Cueto Ramírez–Mexico City's Chief of Police. Students demand his removal.

General Mendiolea Cerecero–Mexico City's Deputy Chief of Police. Students demand his removal.

Javier Barros Sierra–UNAM Rector since 1966; Minister of Public Works under Lopez Mateos.

Luis L. Echeverría–Minister of Interior since 1963; long-time PRI official.

At 6:30 the soldiers and *granaderos* began to close in on the area, from Calle Almacenes, from the Reforma, from Manuel González, and San Juan de Letran. Thousands and thousands of them. Helicopters were circling overhead to see the fortifications the students had made and, unable to observe much from a distance, they flew down and wove in and out of the buildings in the area – at times flying so low that the students were able to pelt them with rocks, stones and clods of dirt.

Sometime close to 6:30 PM, a group of *granaderos* was sent out to overturn one of the buses that formed the barricade, thus opening a space through which the troops could pass. I think this took the students by surprise, because it was all done very quickly. *Granaderos* entered, shooting tear gas bombs ahead of them. But relatively few of the students were in the school itself.

Those who were there were on the roof and very well prepared–with wet handkerchiefs over their noses and mouths. From the height they rained stones, molotov cocktails and the police's own tear gas bombs down upon the *granaderos* in the courtyard below.

Probably the most impressive thing is that about this time a shout, or rather a thousand shouts–from the windows of all the surrounding buildings–began to be heard. Will you believe it if I tell you that this shouting was kept up for seven hours, without a stop. "*Abajo Asesinos!*" and "*Muera Díaz Ordaz, Asesino!*"

On top of the same buildings from which these cries rose, students were hidden with large enough supplies of rocks, iron tubing, bricks and bottles to last for a long seige. In this way the battle generalized. The army and *granaderos* turned their attention from the school, which was virtually impenetrable, and began to attack the people of the ISSSTE buildings. For two hours the battle between these people – civilian population, and the national army – was waged. The people pelted the *granaderos* with every imaginable object they were able to find in their homes. Women threw pails of boiling water out the window, and not a few *granaderos* were scalded. All this time the chant was kept up. *"Abajo Asesinos!" "Muera Díaz Ordaz!"* At 9:00 the *granaderos* and soldiers began to retreat. It should be remembered that there were never more than 100 students involved in this struggle. All the rest were plain common people – women, children and old people as much as the men. When the *granaderos* began shooting their gas bombs into the windows of the ISSSTE building – setting fire to some of the rooms – it was certain that the people would fight until they had driven off the troops.

At 9:30, the people assaulted the Ministry of Foreign Relations, which is directly across from Vocational No. 7. Even after the people had set the Ministry afire the police forces came closer, but did not dare to cross the ruins to reach the building. All this time the school was silent, but from the towers of the middle class houses the chant was kept up. "*Abajo Asesinos!*" By now it was almost dawn, and with the daylight thousands of people came streaming into the *barrio* of Tlatelolco from all directions on foot, in buses, in cars. They brought food, and gasoline and sometimes even money, or just expressions of their solidarity with the people of Tlatelolco.

I think the people of Mexico will not support a situation in which the army is used against ordinary people in this way. At any rate, the Mexicans have had a revolution, and they will know how to fight".

THE MEXICAN PRESS

Though freedom of the Mexican press is protected by elaborate constitutional guarantees, and ownership is in private hands, the Mexican public has grown accustomed to the "almost total absence of public debate or criticism of presidential [or, we would add, *any* official] actions or statements" (*New York Times,* Dec. 29, 1967). As explained in a recent *Ramparts* article (October 26, 1968), Mexico's "prensa vendida" is controlled by a remarkably simple arrangement: newsprint and magazine stock is a government monopoly, administered by the official agency, *Productora e Importadora de Papel, S.A.* (PIPSA). Mexican publishers tell PIPSA how much paper they will need so the government can plan production and imports. For papers to which the government is favorably disposed, PIPSA grants more or less unlimited credit. At present, two of Mexico City's leading dailies, *Excelsior* and *El Sol* are several million pesos in debt to PIPSA.

But this system operates as more than a subsidy. For should any of the papers print a story which gains disfavor in governmental circles, all it usually takes to produce a retraction or modification is a simple call from PIPSA demanding payment of the debt. Even if a publisher does pay his bills on time, he can still be throttled by reduced or retracted paper allotments.

One editor in Mexico City to break the recent government freeze on information about the riots is Mario Menéndez Rodríguez (famous for his on-the-spot interviews with Latin American Guerrillas). A special issue on the riots of his weekly, *Por Qué?,* was turned down by two printers who had been threatened and intimidated by government representatives. A third printer, on the outskirts of the city, agreed to take the job and, protected by the armed staff of *Por Qué?,* managed to turn out 500,000 copies before the paper ran out. Once the authorities found out the magazine had been published, the Mayor's private secretary called the Magazine Vendor's Union informing them that the union would be wise not to touch *Por Qué?* Menéndez Rodríguez countered by arranging for the students to distribute the issue.

MEXICO CITY EVENTS OF OCT. 2, 1968

EYEWITNESS REPORT

by Claude Kiejmann
translated from *Le Monde* of October 5, 1968

Mexico: October 4th: It is a massacre; there is no other word to describe what happened to a meeting organized by the Student Strike Committee in the Plaza of the Three Cultures, in the center of the Tlatelolco district, a huge concrete and glass urban center which from now on will retain a sad notoriety in the annals of repression.

The site is ideal for ambush if it was indeed an ambush as many people claim. Tlatelolco has already been the site of several battles in the last few weeks, but this one of Wednesday (October 2nd) was by far the roughest.

The meeting began at five o'clock, with the declared purpose of demanding the departure of troops which still occupied the Polytechnic Institute, which is located several hundred meters from the square. In fact, an order to march from there to the Polytechnic had even been countermanded. Several speakers, men and women belonging to the Strike Committee, had already spoken. One of them was on the third floor of the Chihuahua building, on an open balcony leading off the apartments, which served as a rostrum. Surrounded by about fifty people, he was in the middle of declaring that it was vital "to continue the struggle" and to demand "a public dialogue with government to defend the constitution and the law." Men, women and children, many of them sitting on the ground, were listening. The students filed in and out among the people passing out leaflets. On the large streets surrounding the plaza the traffic was normal. Army units were drawn up around the Polytechnic. Up in the sky a helicopter from the federal district patrolled the city. In the garden of the complex, children were swimming in the large pool. Their fathers were returning home reading the newspaper. Five minutes later, a second helicopter joined the first, and then at 6:20, we saw two green signal flares shoot up above the church of Santiago Tlatelolco. Several cries rang out: "stay calm, don't run."

It is already dusk and no one can understand the reason for the confusion. The speaker repeats the command to keep calm, but suddenly he is attacked and throttled by one of the people standing next to him. The other occupants of the rostrum try to escape. They are seized by plainclothesmen coming out of the apartments behind them. On the esplanade is an ancient Aztec pyramid surrounded by ditches, and the crowd tried to escape without really understanding what is happening, but finds itself facing five hundred helmeted soldiers with machine guns and rifles in their hands advancing upon them in riot formation.

Contrary to the version in most of the Mexican newspapers, there are no rifle shots yet, either from the buildings surrounding the plaza or from the roofs. However, plainclothesmen can be seen in the crowd with white gloves on their left hands signalling for the soldiers to fire on the demonstrators. The horror begins. We jump over embankments nine feet high; the panic is on.

The soldiers advance toward us, forcing us back towards the church. From the buildings once again, plainclothesmen seem to be directing the advance and the movements of the soldiers by signs. Soldiers are coming at us from all the streets. There are more than five thousand of them and three hundred tanks, and they are shooting to kill. The majority of the students help the women to flee and protect them. Night falls, a torrential rain drenches us. The tanks rumble toward us. They go first of all to block the entrance to the Chihuahua building. It is 7:15 now. The fusilade continues, and a bazooka shot sets fire to the Chihuaha building. The lights in the building have been put out and we can no longer see anyone moving inside. We are to find out later, that many of the apartments are full of refugees crouched on the floor in the dark. The prisoners pass with their hands behind their heads shoved along by soldiers who are beating them. A certain number of them are completely undressed and are made to lie naked on the terraces which form the roofs of the buildings. The Plaza of the Three Cultures is strewn with wounded and dead, many of them children. Those arrested, myself among them, are lined up with their hands in the air along side of the church. The men are ordered to throw down their belts, the women their umbrellas. By 8 or 8:15 the fusillade has ceased. The most striking thing about those arrested is their courage and their determination. There is an impression of anger but at the same time of calm. For them Díaz Ordaz alone, the President of the Republic, is responsible. For according to the constitution, he alone has the right to give the army the order to fire. But those who are lined up there know very well that for a long time the constitution has been nothing but a simulacrum.

10:30, the fusillade begins again. This time the shooting is aimed at one of the buildings located on the other side of Nonoalco district where it is plain that sharp-shooters are hiding. This second fusillade lasts 20 minutes. Behind the church the beatings are intensified. Several women plead with the soldiers to let them enter the church. But it is not until two hours later that we are allowed into the convent next to the church and there almost three thousand of us are shut in.

The whole quarter is occupied by tanks and soldiers. It is only at three o'clock in the morning that myself and a young French woman are allowed to leave after our papers have been verified. The city is filled with cries and ambulance sirens.

The strike committee has been decimated. But how much? The anger, the astonishment, the anguish, and the horror are at their peak. Since 1914, the date of the coup d'etat of General Huerta against President Madero, there has not been a massacre like this in the Mexican capital. But at this very moment the Minister of Defense, General Marcelino García Barragán, declares: "I am the responsible commander. A state of seige has not been decreed. Mexico is a country where liberty reigns and will continue to reign..."

But the editorial writer for "Excelsior," whose photographers had been wounded by the army, wonders about the reason for the massacre of innocents.

CHRONOLOGY
JULY 22 - OCT. 12

July 22 (Monday)

Street fight between Vocational School No.5 *(Voca No.5)* and their traditional rivals, Preparatory School Isaac Ochoterena.

July 23 (Tuesday)

Renewed street fighting between *Voca No.5* and *Prepa Ochoterena* students. 200 *granaderos* invade *Voca No.5* beating students and teachers indiscriminately. One student dead.

July 26 (Friday)

FNET *(Federación Nacional de Estudiantes Técnicos)*, the official student organization for IPN *(Instituto Politécnico Nacional)* organizes demonstration protesting *granaderos'* invasion of *Voca No.5* on the 23rd; CNED *Confederación Nacional de Estudiantes Democráticos*, a UNAM *(Universidad Nacional Autónoma de México)* student group affiliated with the Communist Party, organizes separate rally to celebrate anniversary of Castro's 1953 attack on Moncada Barracks.

Militants from both rallies are ambushed and beaten by riot police en route to National Palace at the Zócalo. Students disperse and regroup; barricade themselves inside UNAM prep schools. Students subsequently repel police by commandeering and setting busses afire. Three Day siege of student-controlled *prepas* commences. By day's end four students dead; hundreds injured and arrested.

In separate action, police invade and sack Communist Party office in Mexico City; arrest 76, charging they instigated riots.

July 27 (Saturday)

IPN and UNAM students unite forces for first time and present initial demands (see box). 2000 students remain barricaded in *prepas*. Students block streets with commandeered busses; Zócalo traffic at standstill. Students form National Strike Council, Consejo Nacional de Huelga (CNH).

July 29 (Monday)–July 30 (Tuesday)

Attempted student march on U.S. Embassy repulsed.

Late Monday and early Tuesday infantry, paratroop riflemen and military police carrying bayoneted rifles and backed by tanks and armored cars invade occupied *prepas* (violating university autonomy) and *vocas*; authorities fire bazooka at building, students retaliate with molotov cocktails. Estimate between 10 and 30 dead; hundreds injured and arrested; many "disappear".

July 31 (Wednesday)

At campus rally, UNAM Rector Barros Sierra proposes new demonstrations "if necessary" to protest violated university autonomy.

August 1 (Thursday)

Barros Sierra leads 50-80,000 students and teachers from UNAM, IPN and other Mexico City schools in "mourning" demonstration.

August 2 (Friday)

Students stage two demonstrations protesting previous day's "official" march led by UNAM Rector.

August 5 (Monday)

IPN students organize demonstration (with participation of UNAM, Chapingo and Normales students) numbering approximately 125,000. Government-backed FNET tries but fails to take over student movement. Students give government 72 hours to meet demands; threaten national strike.

August 13 (Tuesday)

Teachers Coalition for Democratic Rights leads 200,000 in demonstration at Zócalo denouncing authorities and pressing for six demands.

August 22 (Thursday)

CNH insists on open and public negotiations between students and government representatives with press, radio and TV coverage in response to Government's offer for "frank and calm dialogue."

August 27 (Tuesday) - August 28 (Wednesday)

200,000 to 400,000 march to Zócalo in CNH-led demonstration; large group remains around Presidential Palace during night and is chased from area before dawn by soldiers and riot police.

August 28 (Wednesday)

Government-staged rally utilizing unenthusiastic government employees taken over by vast student contingent. Tanks and troops disperse demonstrators.

August 29 (Thursday)

Students and slum residents dislodged by soldiers and *granaderos* with bayonets as they attempt to storm Plaza of Three Cultures. Masked right-wing terrorists machine-gun Vocational School No. 7; at least two students wounded. Lincoln Gordon flies to Mexico City to address the American Chamber of Commerce.

August 30 (Friday)

Protected by 22 truckloads of troops, President Díaz Ordaz addresses CTM (Confederación de Trabajadores Mexicanos). CTM leader Arturo Gutierrez assures Díaz of workers' "support".

CHRONOLOGY

August 31 (Saturday)
New right-wing terrorist attacks on Vocational School No. 7.

September 1 (Sunday)
President Díaz Ordaz defends government's position in his fourth annual report to the nation.

September 7 (Saturday)
CNH rejects government's conditions for holding "public dialogue" on their demands. Rally at Tlatelolco housing project of approximately 25,000.

September 13 (Friday)
CNH stages massive, orderly, "silent demonstration" at Zocalo (approximately 100,000).

September 18 (Wednesday)
UNAM autonomy violated for first time in forty years as over 5000 army troops invade and seal off campus, taking several thousand prisoners including teachers, staff and parents of students. CNH goes underground.

September 19 (Thursday)
Threats of student sabotage of the Olympic Games follow violation of UNAM autonomy. Student meeting with Interior Minister Echeverría breaks up in disagreement. Students hurl stones at Ministry of Interior's windows. In new waves of repression, police indiscriminately arrest and round-up students and bystanders.

September 20 (Friday)
3000 students battle 1000 riot police outside IPN. 300 students arrested as police invade Zacateco school. Colegio de Mexico machine-gunned by right-wing terrorists. Outbreaks of violence in other university centers.

September 21 (Saturday)
Students hold meeting in Plaza of Three Cultures; *granaderos* attack with bayonets; residents of adjacent Tlatelolco housing project give students refuge and medical aid. Several dead, many injured.

September 22 (Sunday) UNAM REctor Barros Sierra hands in "irrevocable resignation". At *Voca No. 7,* students UNAM Rector Barros Sierra hands in "irrevocable resignation." At *Voca No. 7,* students barricade themselves in with 10 busses; thousands of charging soldiers fire tear gas as students retaliate with molotov cocktails. Later Foreign Ministry set afire. Local residents again aid students.

September 23 (Monday)
Violent clashes in Plaza of Three Cultures and Casco de Santo Tomás. Students fight police in jeeps with molotov cocktails and stones; ten to thirty dead, scores wounded and arrested.
In south side of city, students are driven back as they rush prison where labor leaders Demetrio Vallejo and Valentín Campa have been held since 1959 on charges of subversion (under Article 145).

September 24 (Tuesday)
Day of recovery. Previous night's fighting leaves ten to twenty dead and approximately 100 wounded. Burned out busses and jeeps litter streets.

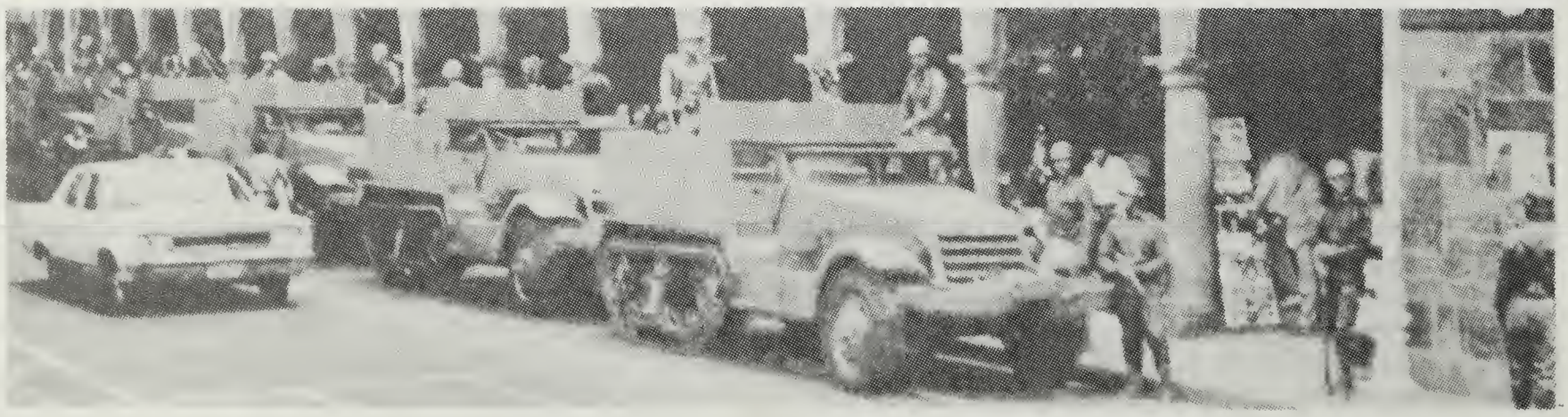
September 25 (Wednesday)
UNAM Rector Barros Sierra's resignation not accepted by Board of Directors. Sporadic violence between students and police; one bystander dead.

September 26 (Thursday)
Rector Barros Sierra withdraws resignation stating he will "restore order to the university" and demands " an end of Army intervention of the university". At *Voca No. 7*, right-wing terrorists machine-gun buildings and smash student cars.

September 27 (Friday)
Political arrests now estimated at 2000.

October 2 (Saturday)
Soldiers coordinated by plainclothesmen open fire without provocation and charge peaceful student rally at Plaza of Three Cultures. Students and bystanders fleeing to Tlatelolco housing project are pursued, shot at, beaten and arrested. Scores massacred. (See article for full details).

October 12 (Saturday)
Olympics open. (Scheduled to close on the 27th)



STRIKE COUNCIL BULLETIN

BULLETIN NO. 2
INFORMATION BRIGADE,
NATIONAL STRIKE COUNCIL.

PUBLIC OPINION THROUGHOUT THE WORLD:

On Friday, Sept. 27, in its first informative bulletin, The Central Committee of the National Strike Council (CNH) announced its plans for demonstrations in support of its petitions on the Plaza of the Three Cultures in Tlaltelolco (near Vocational School No. 7 of the National Polytechnical Institute) in the center of the city, as well as the University complex once it was cleared of army troops.

The exit of the army from the University made it possible for two demonstrations to be held in this area to the south of the city. A few days later, there was a march of mothers of victims of the repression which ran ten Kilometers and ended before the Chamber of Deputies. A demonstration leaving from Tlaltelolco and ending in the center of the National Polytechnical Institute as the Casco de Santo Tomas on the 2nd of October was announced at all these events.

As all this was taking place, the government was taking the following measures:

*Indictment of hundreds of those arrested on charges ranging from robbery and pillage to destruction of public communications and assault. The accumulation and duplication of these charges, according to a recent modification of the Penal Code concerned with combating vandalism, carries sentences of up to 60 years.

*Terrorism through the painting of red crosses on the houses and confirmed by receipt of the same sign through the mail to those who had been arrested during the occupation of the University and were later freed. *Their addresses could only have been known to those who arrested them.*

*Terrorism in the schools, armed attacks on the buildings by bands of men using government weapons.

*Terrorism against sympathizers with the movement who receive threatening telephone calls at their homes.

*Repression of demonstrations in the provinces and in the capital, with the arrest of directors of schools, professors, students and public in general, resulting in dozens of deaths, especially in the states of Veracruz and Oaxaca.

*Persecution and suppression of small, spontaneous informative meetings organized by the movement's political brigades. Several citizens were killed as a result of these actions.

*The Oct. 2 march at Tlaltelolco (a large popular housing project) including several National Polytechnical Schools, was reduced to a stationary demonstration by the National Strike Council in the face of the threatening mobilization by armed forces. After an hour and a half of a peaceful meeting attended by ten thousand people and witnessed by scores of domestic and foreign reporters, a helicopter gave the signal to attack to the army by dropping flares into the crowd. Simultaneously, the Plaza was surrounded and attacked by members of the army and all police forces, using weapons of all calibre, up to 9mm.

The local papers have given the following information about the attack, confirmed by first-hand witnesses:

*Numerous secret policemen had infiltrated the meeting, in order to attack it from within, with orders to kill. They were known to each other by the use of a white handkerchief tied around their right hands.

*When the National Strike Council itself was attacked, various journalists were hit. Among the victims was the famous Italian writer Oriana Fallaci of L'Europeo of Milan, who received four bullet wounds and was left after being robbed of all her personal posessions.

*High calibre weaponry and expansion bullets (war material) were used. Seven hours after the massacre began, tanks cleaned up the residential buildings of Nonoalco-Tlaltelolco with short cannon blasts and machinegun fire.

*On the morning of Oct. 3 the apartments of individuals were still being searched with no search warrant for those supposedly guilty.

The hospitals-ambulances were previously occupied by members of the army to insure preferential treatment for wounded among the military and to impede immediate attention to civilian casualties.

*Doctors in the emergency wards of city hospitals were under extreme pressure—being forced to forego attention to the victims until they had been interrogated and placed under guard. Various interns who attended the demonstration for the purpose of giving medical aid have since disappeared.

*The results of this brutal military operation include dozens of dead (including women and children), thousands of wounded, an unwarranted search of all the apartments in the area and thousands of violent arrests. Those arrested were taken to various illegal locations such as the Military Camp No. 1. It must be added that the members of the National Strike Council who were captured were stripped and herded into a small archeological excavation at Tlaltelolco converted for the moment into a dungeon in this same location. Some of them were put against a wall and shot.

*Onesimo Mason, the general who directed the operation, praised the preparedness of his men in contrast to the obvious lack of this on the part of the students.

All this has occurred only ten days before the start of the Olympics. The repression is expected to become even greater after the Games, in view of the fact that national public opinion and the protest from the provinces are unified against a regime whose only interest lies in demonstrating its power to control.

Already individual liberties have been suspended and restricted zones have been created where all vehicles are searched at gun point and personal identification is demanded. The Secretary of Defense made his declarations that the friendly disposition of the regime will solve the conflict.

Until now, the Senate as well as the "Confederacion de Trabajadores de Mexico" (Workers Union), through the voice of its leader of 30 years, Fidel Velázquez, has been quick to show its support of the president, etc.

WE ARE NOT AGAINST THE OLYMPIC GAMES, WELCOME TO MEXICO:

NATIONAL STRIKE COUNCIL.
October 6th, 1958.

BULLETIN NO.4
INTL. INFO. BRIGADE.
NATIONAL STRIKE COUNCIL.

MEXICO

TO PUBLIC OPINION THROUGHOUT THE WORLD:

In its meeting of October 14, the National Strike Council (CNH),—consisting of representatives from 77 schools and faculties, formed diverse sub-committees in order to continue the student movement. This organization is national and includes 400 peasant and workers' strike committees.

The solidarity struggle on the part of workers and peasants takes place despite strong opposition of official organizations.

Faced by the presidential efforts and tactics to obstruct any dialogue, the CNH has halted its talks which had been held with Jorge Dominquez dela Vega, director of the Institute for Political, Economic and Social Studies (IEPES) of the PRI (the ruling party), and with Andrés Caso, chief of personel of the nationalized petroleoum industry (PEMEX).

In effect, President Gustavo Díaz Ordaz and those officials involved in the conflict, specially Secretary of State, Luis Echeverría, and the city's Mayor, General Alfonso Corona del Rosal, have remained silent. Only Defense Minister, General Marcelino García Barragán, has continually made declarations marginal to the conflict: as the use of Military Camp No. 1 as a concentration camp to hold detained persons.

In other words, official intolerance and an escalation of repression have been mantained, while the CNH had opened the doors, since September 17, the day before the army invaded the University, to the possibility for a dialogue on its petitions, even written form.

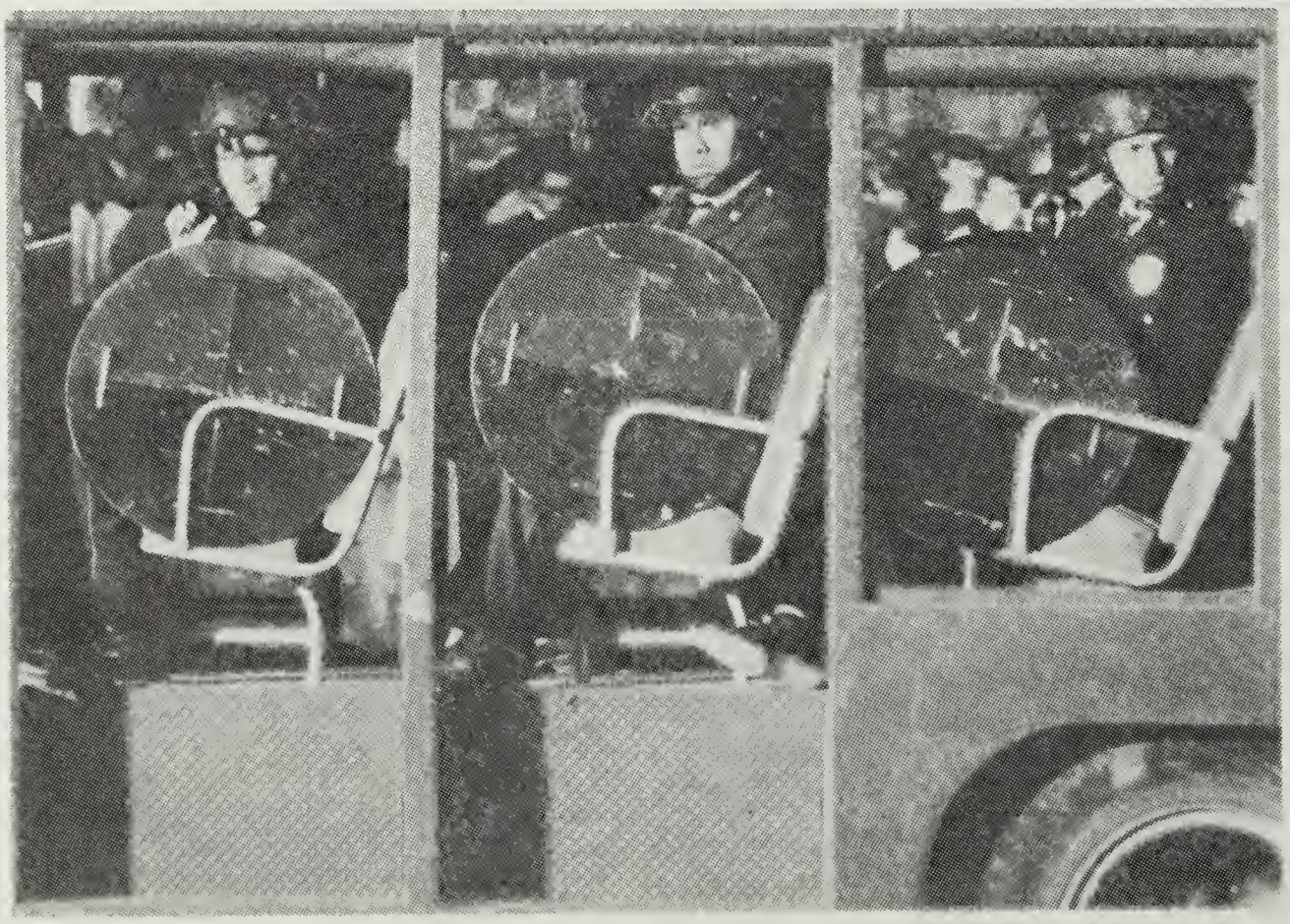
This situation, since denounced and ended by the CNH, permitted the government to play a double game in its weakening efforts of the CNH; on the one hand it recognized the Council in order to hold its talks, and on the other, it imprisoned its members and treated them as the worst delinquents, with 152 arrest orders still out as this is written. All this under the time-worn slogan of keeping law and order, even though this means, obviously, the curtailement of liberty.

But against official efforts to intimidate and perhaps even buy off the CNH, the latter have resisted repression. They have not weakened even in the face of its escalation nor of such moral blows as barring the return of student leader Marcelino Parello's mother, who was visiting Spain, or the disappearance of Raul Alvarez, CNH member (see Bulletin 3 Oct 12). On the contrary, the regime's impopularity grows in the face of lip-service payed by its institutions to the presidency and the latters mishandling of the labour unions. The need to join forces lying dormant during 40 years of single-party rule, of absolute control by the PRI, seems to be awakening.

Thus adhesion to the Movement is formed not only by democratic organizations but also by an incipient revolutionary struggle, as was proven, a few days ago, by the bomb exploded at "El Sol de Mexico", the most reactionary paper in the country, and one which, as the centre of the García Valseca chain, controls a great deal of national information.

The CNH's prestige grows and proves its truly democratic nature at a national level. The fact that there are no student leaders per se has greatly affected the government, who is thwarted in its traditional attempts to dissolve it by means of corruption and extorsion. It probably thought that with massacres and gaoling it could limit the movement to student centres and reduce control to a few leaders. The contrary has taken place: at the last press meet held by the CNH, new members appeared who maintain the same political line its tortured and imprisoned antesessors held. Thus, not only the CNH but the student movement as a whole, with all the many facets it has achieved, appears before the regime as a bottomless barrel which the State is to try to destroy brutally as soon as the XIX Olympic Games are over.

NATIONAL STRIKE COUNCIL.
Intl. Info. Brigade



El Cuerpo de Granaderos

STUDENT INTERVIEWS

Translated by Jackie Skiles Quayle

(The following are edited translations of interviews with three Mexican student leaders held in the latter part of September, 1968 at the National University.)

Student From The Faculty of Political and Social Sciences (UNAM)

Question: What is the function and importance of the student brigades?

Answer: The formation of brigades has been the tactical form the struggle has taken in the face of aggression. Through our experience with them we know that it is possible to continue the struggle in a decided way...Some of the brigades have developed such an awareness of the situation that they themselves are formulating their slogans and flyers and they have set for themselves a long-range program. The brigade system has been so successful that the President acknowledged in his"report" that we have excellent means of communication with the people. Thus even though the brigades arose spontaneously and automatically, they are now functioning under a set discipline that became necessary as the movement gathered momentum.

The "politization" that the brigades have achieved has been effected by means of round table discussions, seminars, assemblies and studies they have been carrying out—a political awareness that has been in turn transmitted directly to the public in general.

The brigades are the backbone that has sustained the movement in practice; but this affirmation is made without failing to emphasize, of course, that it is also the brigades that have the most consistent theoretical positions.

Question: Do you believe that it is more important to hold demonstrations than to carry out the work of the brigades?

Answer: The task of having demonstrations and that of the brigades are not mutually exclusive; carrying out one task does not mean that the other is not accomplished. The demonstrations...have become important owing to the work of the brigades and the brigades have been able to carry on their work owing to that of the *Comités de Lucha* and to the success of the demonstrations.

Question: Do you believe that the organization of a new political party is possible?

Answer: The problem of determining the most appropriate form of organization that will result from this movement has already been discussed by the *Comités de Lucha.* I believe that the creation of a revolutionary party is beyond the capacity of this movement even though we in fact lack a truly revolutionary party. But I doubt that a party is the most appropriate organizational form the movement should take in Mexico at this time. In the event of the creation of such a party, the role of students would have to be studied...

We do not believe that the necessary political work can be sustained by the work of the brigades. This work, even though it represents the backbone of the movement, clearly reveals the lack of national direction that might formulate more centralized and more effectively directed strategy for the struggle. The fact that the lack of national direction may be seen does not necessarily imply that a political party should be formed. We students must seek a unique form of organization that will allow us to become more consistent theoretically, and simultaneously more consistent in practical work.

Question: How has the movement been viewed by the institutions, groups or parties of the left?

Answer: ...at no time has it (the Communist Party) been able to propose an appropriate direction for us to take. In general terms, we do not believe that either the Communist Party or other so-called parties of the left are in a position to organize anyone.

Question: Do you believe that the student movement has limited perspectives?

Answer: By definition the student movement has been limited in its perspectives. We believe that it is a mistake to think that the students can sustain popular demands in practice or ideology. The fact that student demands are close to those of the people does not mean that this movement has assimilated other political or class sectors.

Question: Do you believe that the student movement is the vanguard of a popular movement?

Answer: It has been shown over and over that even if a popular movement has its genesis in the university, students cannot be the vanguard of the movement because of their class differences (with those who form the popular base). It may be said, however, that students can serve or participate in the leadership of a popular movement.

Question: Do you believe that the brigades are useful means of carrying on the struggle?

Answer: It is undeniable that at this time the brigades have become real instruments for doing this. However, only in a few, exceptional cases have they fulfilled their potential. In spite of their many errors, the brigades are one of the great victories of the movement. This establishes the fact that they are an appropriate organizational form that in the final analysis enables the direction of a spontaneous movement.

Question: Do you believe that government repression has been unsuccessful with regard to the brigades?

Answer: The regime's efforts at repression have at no time been a true representation of the repressive capacities at its command. The repression has been a show of force. However, when this repression becomes "serious," when there is not only intervention on the part of the army but also the active, armed participation of the Fascist groups of the Government, things are going to get rough for students —who have neither arms nor the necessary training in how to use them. Within the university itself, the brigades would not only be ineffectual but it would be irresponsible on the part of the leadership of the movement to be forced to confront repressive forces that would be undoubtedly implacable. When this happens, it will be necessary to define the struggle in terms of two alternatives: either we take up arms or we opt for a...cessation of all activity which would not only permit students to return to the university but would also allow the development of other possibilities for future democratic movements.

Question: If students are not the vanguard of the popular movement, how can they take up arms?

Answer: We are convinced that students have no possibility for victory in terms of an armed struggle, owing to their class origins; but we are convinced that we have great political capacities. With regard to the question of arming

students, we believe that it is pointless to raise it. What we believe possible is that students, in addition to political ability, have the capacity to take control of the streets and taking control of the streets does not mean taking up arms.
Question: Do you believe it is possible for students to sustain this democratic struggle for a long period of time?
Answer: Democratic struggles have a defining characteristic, a cyclical character, that permits their identification as such. They consist of a constant ebb and flow. It is appropriate to ask whether,...if the present democratic movement is successful, will it be possible to take the offensive and take control of the streets on future occasions.
Question: Don't you believe that the importance of the movement resides in the exemplary action the student can show the people?
Answer: Of course; in almost all struggles students have been an example for the people; however, this does not mean we are responsible for the movements. It should be understood, however, that we students are no example for the working class in the sense that we have anything to teach them since the worker, through his own experience, already knows how to do things. Of course the demonstrations we have held are an example; so is the takeover of the university, but not the taking of arms.
Question: Do you believe that clandestine action would be a more effective weapon in case repression is stepped up?
Answer: We believe that a clandestine movement is necessary at this time for two reasons: (1) because it makes it possible for many cadres to be permanently active and (2) because it guarantees the combativeness in students themselves. However the clandestine movement demands many things that are not present in the university; among them, discipline. If operating underground does not guarantee the mobilization, it is logical that not only will the clandestine system of opposition be sacrificed but the rational basis for the movement as well. Clandestine activity for its own sake is meaningless.

Student From The Faculty of Science (UNAM)
Question: In your view, what is the importance of the type of organization that has been imposed on this movement—concretely, the brigades and the National Strike Council?

Answer: A base has been established that did not exist in Mexico before. Never before, in any movement, have such a great number of students been mobilized, and an organizational culture of this nature been achieved. For the first time there is a Council that embraces students from the Politechnic Institute, (the agricultural school at) Chapingo, and many other schools. The fact that it has been achieved, that an organ with representatives from 128 schools actually functions, is a very important precedent in Mexico....

At this time we have the seeds of an organization but...no political line. This can be seen in the activity of the National Strike Council—mere practical activity of the moment. It is an organization of defensive character, one that responds according to the action of the Government.

When the present situation is resolved, the organization we now have must become an offensive organization; that is, one that develops a long-range political orientation.

The basic difficulty the Mexican student movement has faced is the multiplicity of tendencies that has existed in the binary system of education. On the one hand there are students from the bourgeois class.(in the University), and on the other, students from the popular groups and the lower middle class who attend the technical institutes. This cleavage, which was very well-defined at the time of the foundling of the Politechnic Institute in the 1940's, has gradually become less sharp—unfortunately, not because the universtiy has become more"popular" in its constituency, but because the Politechnic Institute has become more aristocratic. The Politechnic Institute has now become another university (it lacks certain faculties such as Philosophy and Letters to become a true university).

Fundamentally, the perspectives and concerns of the students do not differ from one group to the other. It is this similarity that has made student unity possible at this time....The unity between the "Poli" and the UNAM is an accomplished fact that will not disappear.
Question: How do you think this unity can be maintained?
Answer: We believe the goal should be a national student federation or a national student union or something along those lines, with characteristics similar to those the National Strike Council now possesses. It should become what Lenin once called the "catalyst of the revolution," a nucleus, or a spark that will start a fire. The student group has certain basic characteristics that make it the first sector to react to the social situation. It is the sector that has greatest access to information, is the most educated, and has the greatest critical capacity. It is also the sector of society that is least subject to pressures—that is, in this system workers and peasants are subject to innumerable pressures and obstacles that hinder their mobilization....

In Mexico, a worker who even attempts to plant the seed of an organization that is independent of the (PRI-controlled) unions is immediately fired from the factory. A peasant who attempts to go outside the cannons established by the CNC (National Confederation of Peasants) of the PRI is immediately ostracized....

Another condition of fundamental importance is that students are the only sector of the population that brings great masses of people together in the same place. This daily association gives them greater capacity for mobilization. It is for this reason that students become the most sensitive sector of society. Nonetheless, the bourgeois outlook of Mexican students—the class origins of the majority of the students—causes this mobilization to be one of sporadic nature; that is, it is one that definitely cannot reach large sectors of the population. The moment has come in which the student movement—by its very nature—finds itself incapable of moving any farther....The student movement has given all that it had to give; that is, it arrived at the greatest possible degree of radicalism. But what is necessary is that it move on to a second stage...to fulfill its role in showing that the regime in Mexico is not invulnerable, that massive mobilizations are possible, that the

structure is not hermetic. At this moment there should have occurred—and it would have occurred in a country where the labor movement was not so controlled—a great mobilization of support that would have reached the leadership with much more serious demands. What was lacking here . . . was organized labor; a class-based political party, a functional mechanism that would have permitted the whole current of sympathy and support that developed among the working classes in general to become organic support.

In spite of the distortions of the radio, the press, etc., everybody in Mexico supports and sympathizes with the student movement. However this cannot be translated into practical action because in reality they are controlled. For this reason all the attempts to overcome these organizational obstacles have been futile owing to the enormous corruption that exists.

...Political movements cannot remain static; they advance and become radicalized or they retreat. The student movement began to move, reached its apogee, and at the moment in which it should have been replaced by something else, there was no suitable organization to carry this out and now, in terms of organization, it is beginning to decline...Student awareness is not disappearing; it is an irreversible process....

Mexico is the country in which the people are most convinced that the Government is corrupt. Any man on the street will quickly affirm that the politicians are all thieves, from the President of the Republic down to the last transit policeman. On the other hand, the bourgeoisie needs a couple of *"Cuba libres"* before they'll begin to say it; but they think it, in any case. Thus the problem of creating political awareness does not rest so much on convincing people that things are bad, but...that they could stop being so. They must be convinced that mobilization of their own forces could indeed affect government structures.

Question: What do you think the solution for the movement is under present conditions?

Answer: The student movement has been able to sustain itself owing to a very imponderable circumstance—that of the Olympics. If it had not been necessary to hold the Olympics in Mexico, the movement would already have been repressed and at this point strong repression of the movement would result in popular mobilization. The problem of the Olympics is a much more serious one than it may appear at first glance. Mexico's economy is involved up to its neck and concommitantly, the whole politics of the country.

The Olympics have caused Government opinion to be divided with regard to the attitude it should take toward the movement. At this moment the Government is politically divided. This makes the perspectives of the movement much greater than it would have been under other conditions. It allows us to keep them (the Government) with their backs to the wall.

Student From The National Politechnic Institute (IPN)
(Interview held at the UNAM)

Question: What are the specific differences between the Politechnic Institute and the National University (UNAM)?

Answer: There is no difference in organization....All the schools have the same organization, the National Strike Council. But I suppose that there are some tactical and theoretical differences.

The problem of the University is that its constituency is much more theoretically oriented than we are. By our very class origins—the sons of workers and peasants—we live the conditions of hunger and poverty more than do those who live them only in words. At the Poli we have a large number of students who have no place to sleep; they live in truly precarious, difficult conditions. We also have a very small number of scholarships available, while at the University there are persons with greater economic means and there are more scholarships.

However, the Politechnical Institue originally created for the poor, has become more bourgeois since the last educational reforms. Whereas before only students of scarce means studied here, now almost half the student body is composed of students having some resources.

These differences can also be seen in attitudes toward student struggles. Students at the National Universtiy even have a special understanding of autonomy. Although theoretically they are unaware of it, we can see by their attitude and behavior how each student feels autonomous, whereas in the Politechnical Institute the students have a more gregarious concept of themselves. For students of the University, contact with workers is a new thing. That's why they brag so much about the brigades that go to the people. We also have brigades—and very good ones—but going to the workers does not make a special impression on us because we live in their midst, we share the same conditions.

We are no longer afraid of anything. An assassinated worker, although it deeply hurts us, does not frighten us. As any student who lives in the slums or tenements can affirm, our children and many older workers die daily of curable, simple illnesses. We lack the means to fright even these small infirmities we suffer owing to the environment, the lack of hygiene, malnutrition, etc.

Question: What about the struggle and its organization?

Answer: The greatest desire of Mexican youth has always been to become united around common, concrete problems. The lack of organizations that truly represented the students at large kept us all disoriented. Even those organs that have represented government interests among students such as the FNET(*Federación Nacional de Estudiantes Técnicos*) owe their existence to the lack of organization among the students themselves. Yet the present movement has achieved great organization in that the National Strike Council alone has 250 members and the whole network of over 800 brigades has 8, 10 or up to 15 members in each brigade.

Question: Do you believe that the student force may become a popular force in the future?

Answer: Our movement is already popular; this you may see by our demands in the petition movement. It is true that there is a lot of passivity on the part of truly proletarian sectors; but in order to overcome this we have created and we will continue to create and promote the whole system of brigades.

Question: What do the students of the Polytechnical Institute think of the intellectuals of Mexico?

Answer: Intellectuals have always made their demonstrations outside the social context of the real "people". They have never had the courage—or they have not wanted to have it—to develop a theory on which a protest could be based. The majority of them are a very important part of the whole State apparatus.... Honest, dedicated intellectuals—such as José Revueltas—who support and bravely participate in a popular movement, are rare.

Question: Much has been said to the effect that the Mexican people greatly distrust the movement and its leaders. Do you believe that this phenomenon is present among the students of the Politechnic Institute, owing to their very class origins?

Answer: No, in the Poli, the student body now believes in its leaders; it has faith in the movement, as do the workers. You have been able to see that here in the University [representatives of] many popular sectors have been brought together—taxi drivers, among others. This shows that the distrustful attitude of workers and peasants is already disappearing. It should also be pointed out that the pressure of students at large has been responsible for the emergence of good, authentic leaders. This is why the Government at this time has no means of stopping the movement; that is, there are no leaders to be bought off or leaders who will compromise that which we are asking for. This movement cannot be bought because it has no corrupt leaders.

THE STUDENT WORLD

Over 60% of Mexico's population is under 25. Of college-age young people, only about 3% (approximately 140,000) are enrolled in institutions of higher learning.

The Mexican educational system has two main divisions. The route taken by most of those who receive a higher education leads through secondary schools with a "vocational" orientation (called *vocas* for short) and into a net of technical colleges and institutes, among them the Chapingo National School of Agriculture, the National Normal Schools and the largest, with 45,000 students, Mexico City's *Instituto Politécnico Nacional* (IPN).

The second route leads through preparatory schools (*prepas*) with a "liberal arts" orientation into Mexico City's prestigious *Universidad Nacional Autónoma de México* (UNAM). UNAM's 80,000-plus student body includes 30,000 preparatory school students.

The UNAM complex, with headquarters in the modern campus referred to as the University City, consumes three-quarters of the total federal budget assigned to Mexican universities. Its student body is drawn primarily from the urban middle and upper classes. Since 1928, the campus has enjoyed "autonomy," freedom from military and police intervention.

The technical schools, on the other hand, draw their students primarily from worker and peasant backgrounds, enjoy a much lower budget, do not have "autonomy" and are consequently from time to time the scenes of brutal military and police intervention.

These and other differences, coupled with PRI manipulations, have tended to produce antagonisms and rivalries which have traditionally divided the Mexican student movement—in fact, the spark which set off the current wave of repression was a street fight between *voca* and *prepa* students.

Through the *Federacion Nacional de Estudiantes Técnicos* (FNET), the PRI has managed to direct vocational and technical student activity along relatively conservative lines. It was this group which sponsored the first march on July 26th, protesting the *granaderos'* violence against *voca* students engaged in the street fight of July 22-23. There is no one dominant student group at the UNAM, but the left in general, and the *Juventud Comunista Mexicana* (JCM), and the *Confederación Nacional de Estudiantes Democráticos* (CNED), Communist Youth Groups, in particular, sponsored the second march on the 26th of July, commemorating the anniversary of Castro's 1953 attack on the Moncada barracks.

One of the important precedents created by events in recent months is the joint cooperation of the formerly divided student constituencies which have united to form the *Consejo Nacional de Huelga* (CNH), the National Strike Council. The CNH is composed of 250 representatives from 128 schools including the UNAM, IPN, Chapingo, Normal Schools, National Institute of Fine Arts, National School of Anthropology and History, Colegio de México (a private, liberal arts college) and their affiliated secondary schools. At the local level, *Comités de Lucha* (Committees for Struggle) carry out the everyday tasks of the movement and coordinate the work of the various *brigadas*. The *brigadas* are composed of from 8 to 15 students and are each assigned a specific task; for example, political brigades explain the CNH demands to people in the streets, workers and peasants; supply brigades, provide food and other necessities; medical brigades tend to the wounded and sick. There are now reported to be over 800 brigades.

PART 2: DOMINATION

THE DYNAMICS OF THE MEXICAN ECONOMY

The 1910 Revolution marked the birth of a new era in Mexican economic development. For centuries the country was saddled with Spanish colonialism, British imperialism and U.S. expansion (one half of Mexico's territory was stolen by the United States to round out its borders). Over 90 percent of the peasants in 1910 were landless, tied to the soil through perennial debt and peonage. In economic terms, the statistics of growth since then are impressive; in human dimensions, the accomplishments have been muted by social injustices.

In fifty-eight years, the Mexican gross national product (in constant prices) has grown almost seven times its 1910 level (see Table 1). Most of this growth occurred after 1940 when manufacturing started to overtake agriculture as the most important economic sector. In the 1950's, commerce (centered around tourism) sharply increased its share of the GNP while agriculture continued its long decline. A comparison of the GNP and the labor force in the same economic sector (see Tables 1 and 2) reveals a wide disparity between their contributions to productivity and labor utilization. Manufacturing, which now generates over 26 percent of the GNP, utilizes less than 16 percent of the economically active population; commerce also contributes over 26 percent but uses less than 11 percent of the workers. On the other hand, agriculture, livestock, forestry and fishing production contribute 16.2 percent to production but occupy over 47 percent of the labor force. This is a clear indication of uneven development and inefficient utilization of labor.

In Table 1, figures on the per capital GNP, in *constant* dollars, is included. While this indicator of wealth distribution and well-being has increased about two-and-one half times (from $111 to $266), it has hardly kept pace with the seven-fold increase of the GNP. This makes it quite clear that the fruits of increased production have *not* filtered down and appreciably benefited the masses. Income and wealth remain concentrated in the hands of a few. According to the U.S. Department of Commerce,

> **Three-fourths of the families in Mexico accounted for one-third of the personal income of the Nation and less than 2.5 percent of the families accounted for 25 percent of the total in 1957 ... These data sharply reflect the small size of the internal market for consumer goods and services. Income distribution has improved only slightly since 1957** (*Mexico: A Market for U.S. Products,* 1966)

The standard of living for most Mexicans, except upper and middle class urban residents, remains low. Over 60 infants out of every 1,000 die before their first birthday; primary schools are available for only 75 percent of the children six through fourteen; the average caloric intake is just above the UN minimum standard; underemployment plagues 30 percent of the total labor force (50 percent in rural areas); and industrial wages on the average hover around $.45 per hour. These are figures for the whole society; many rural areas are far worse.

With the third largest land area and second largest population in Latin America, Mexico has extensive mineral resources but little rainfall (only 10 percent of the land is now arable). The population (totaling approximately 45 million people) is currently growing at 3.5 percent a year. Due to the land scarcity and population growth, peasants are fleeing the countryside for the cities (more than 55 percent now reside in urban areas). At least since 1940, increases in the GNP (presently over 6 percent a year) easily out-paced population growth, but the flow of surplus capital accumulated from rising productivity has moved *upward* into the hands of the wealthy and *outward* to foreign corporations and banks. Consequently the gulf between rich and poor has widened.

The heart of Mexico's current economic situation is rooted in foreign trade. From 1882 through 1940, Mexico enjoyed an unbroken record of export surpluses (i.e. an excess of exports over imports) that served as an important source of tariff revenue and foreign exchange income. During World War II, certain supplies from the United States were cut off, forcing the government to launch an intensive industrialization program. This necessitated the importation of capital (producer or industrial) goods whose dollar value quickly rose above the level of exported basic minerals and agricultural commodities, thus creating an unfavorable balance of trade. In the post-war years, this trade imbalance widened (see Table 3), expecially with the United States which is Mexico's leading buyer and seller. To carry out industrialization, heavy manufacturing and transportation equipment as well as chemicals and a variety of raw or semi-processed materials had to be imported, primarily from the United States. To this day, 80 percent of Mexico's $1.7 billion imports are capital goods (Mexico is the United States' top buyer in Latin America, ranking sixth in the world). Moreover, prices paid for such processed goods tended to rise during the fifties and sixties, while mineral and agricultural prices fell (i.e. Mexico had to export a greater amount of goods to make the same income).

Few countries can long survive with a large unfavorable trade balance without losing its credit and plunging into bankruptcy. By 1967, Mexico's dollar outflow from trade amounted to $605 million and the Mexican government was frantically seeking foreign capital to off-set the trade drain. All of their programs tended to push the fruits of higher productivity upward and outward into the hands of domestic and foreign capitalists:

1) *Tourism*, a major Mexican source of income, brings in over one million visitors yearly (85 percent U.S. citizens) who spend over $350 million on services that employ relatively few workers. Though this capital inflow is somewhat off-set by overseas travel of Mexican citizens, the net gain in recent years has been about $200 million.

2) *Border trade* with the United States was encouraged by the elimination of tariffs and taxes in a 12 mile free trade zone. The tremendous underemployment prevalant in this area was aggravated in 1965 by termination of the inhuman *braceros* (migrant worker) program (the workers who labored in the U.S. brought back about $35 million yearly). Efforts to attract new runaway U.S. industry have secured 75 firms lured over the border by cheap labor and proximity to U.S. markets. Such trade is now worth about $200 million yearly.

3) *Private and public investment capital* has been encouraged to enter the country and take advantage of profitable "investment opportunities." In other words, to off-set money lost through unfavorable trade, foreign capital is invited to invest in the country's development. From 1950 to 1966, U.S. direct investment, which amounts to 75 percent of all foreign direct investment, has climbed from $286 million to almost $1.2 billion (see Chart 1). Such investment capital has flowed into manufacturing, which in turn increases the demand for capital goods for production—most of which are imported from the United States, and thus throwing the balance of trade further out of line. As the size of direct foreign investments increases a larger share of the country's profits come under the control of outsiders who exert an increasing influence over investment patterns and capital allocation. If these outsiders fail to gain a profitable deal, they simply threaten to remove their profits, thus exacerbating the balance of payments problem. In 1950, foreign firms received a total of $66 million in payments from their Mexican operations (27 percent of that was reinvested in the economy); in 1966, $250 million was received (28 percent reinvested). To lure new investment and retain foreign corporation profits inside the country, the government must offer lucrative incentives in the form of tax loopholes, concessions, favorable legislation, low wages, political "stability," etc. A major portion of the nation's social and economic priorities are thereby oriented toward foreign investors' needs.

Official public financing (i.e. foreign governments, international agencies, bond offerings) has played a crucial role in Mexican "development." The outstanding public debt (in 1966) stood at $2.15 billion; annual service payments for this astronomical figure totaled $254 million, or 21 percent of all exports. Mexico has the distinction of being the World Bank's largest borrower in the Western Hemisphere and its third largest in the world, with a net total of about $625 million in 16 loans. The United States Export-Import Bank has loaned the country $862 million from 1946 to 1965, charging the enormous sum of $108.3 million in interest (12.6 percent per year even if no payments of principal had been made). The purpose of such "loans" was recently clarified by *Noticias* (May 8, 1968); the money is offered "to buy U.S. machinery and equipment ... Since 1945 the Export-Import Bank has authorized over $270 million in loans to finance purchases of U.S. equipment and services for use by the Mexican Railways." Whatever the facade, "loans" for the building of "infrastructure" really helps the national bourgeoise, foreign corporations, and imports of U.S. capital goods.

Table I: The Mexican Gross National Product

Size, Composition, Growth Rate and Per Capita 1910-1967

	1910	1921	1930	1940	1950	1960	1965	1967
Gross national product (GNP) (Billions of Pesos @ 1950 prices)*	14.7	15.9	16.9	22.6	40.6	73.5	98.2	NA
Agriculture, livestock, fishing and forestry	31.3%	28.9%	23.1%	23.9%	22.5%	18.9%	17.3%	16.2%
Mining	21.3	25.2	27.2	27.0	3.0	2.2	1.7	1.6
Petroleum					2.7	3.2	3.2	3.3
Manufacturing					20.5	23.0	25.3	26.9
Construction	47.6	45.9	49.7	49.1	3.1	3.5	3.5	3.9
Electricity					.9	1.2	1.4	1.5
Transportation and communication					4.8	4.9	4.3	4.2
Commerce					26.3	25.8	25.9	26.3
Government					3.2	2.7	2.7	2.7
Other activities					13.0	14.6	14.7	13.4
Net interest and dividends paid to foreign countries					1.2	1.1	1.4	NA
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
GNP average yearly growth rate (between periods)		.7%	.7%	3.4%	8.2%	8.1%	6.8%	---
Real per capita GNP (US $ @ 1950 prices)	$111	$129	$117	$133	$184	$244	$266	NA

*(8.65 pesos = $1 US @ 1950 prices)

Source: *La Economia Mexicana en Cifras* (National Financiera, Mexico, 1966) pp. 49-53

4) Finally, the Mexican government has tried to rebalance trade by *increasing exports*, preferably of manufactured goods, to the U.S., Europe and the rest of Latin America. Exports in the last few years have grown faster than imports, but many of the new goods are produced by foreign firms that reap the profits. In order to facilitate the export of U.S. goods produced in several Latin American countries, including Mexico, Washington encouraged the formation of the Latin American Free Trade Area (LAFTA) in 1960. While the results have hardly been spectacular, Mexico has gained a small balance advantage in its LAFTA trade ($5 million in 1966). Moreover, the government has tried to increase the proportion of domestically produced parts in some manufactured items, but most goods are assembled from parts usually manufactured in the U.S. Without a more developed and nationally controlled capital goods industry, products for export will be relying on imported parts and materials.

The solutions offered by the Mexican government to correct the negative trade balance have failed in two vital respects: 1) they have not reduced the country's reliance on capital imports, and thus broken the vicious balance of payments cycle that opens the economy up to foreign domination, and 2) they have not materially benefited most of the Mexican people. To attract more tourists you must maintain bigger and fancier hotels—built and managed by U.S. corporations. The border trade program counts on cheap labor and fast profits. The influx of foreign investment and "loans" only accelerates the dash toward bankruptcy and increasingly deprives the Mexican economy and society of national control. Increasing exports places Mexico in the forefront of U.S. expansion. Four hundred thousand new jobs are created every year in Mexico, but the capital for creating employment is flowing upward and outward, leaving the worker in misery. The need for a revolution that seizes the wealth and pushes the surplus downward is not just a rhetorical phrase; it is a practical imperative, for national survival.

Table 3: Mexican Imports, Exports & Trade Balance

1951 - 1967

	Imports		Exports		Trade balance	
	world total*	percent from US	world total*	percent to US	world*	US*
1951	845	83%	707	63%	-138	-255
1952	808	84	687	68	-121	-214
1953	808	83	559	66	-249	-304
1954	787	81	612	60	-179	-264
1955	884	79	759	61	-125	-238
1956	1072	78	854	56	-218	-358
1957	1152	77	698	65	-457	-438
1958	1129	77	708	62	-421	-430
1959	1007	73	721	61	-286	-294
1960	1187	72	740	61	-447	-402
1961	1139	70	804	62	-335	-296
1962	1143	69	899	62	-244	-230
1963	1240	69	936	61	-304	-252
1964	1493	69	1022	60	-471	-413
1965	1560	66	1107	57	-453	-398
1966	1605	64	1187	55	-418	-376
1967	1748	64	1143	54	-605	-463

*(millions US $) Source: U.S. Dept. of Commerce, *Overseas Business Reports: Basic Data on the Economy of Mexico*, p. 27.

Table 2: The Mexican Labor Force

Size and Composition 1910-1967

	1910	1921	1930	1940	1950	1960	1965	1967
Total labor force (1,000 people)	5,332	5,045	5,358	6,055	8,272	11,332	13,427	14,600
Agriculture, livestock, fishing and forestry	67.5%	69.2%	67.7%	63.3%	58.3%	54.2%	51.1%	47.9%
Mining	1.6	0.6	1.0	1.8	1.2	1.3	1.3	2.3
Manufacturing	16.4	10.4	11.5	10.6	11.7	13.7	15.2	15.9
Construction	2.7	2.0	1.0	1.7	2.7	3.6	4.3	4.4
Electricity, gas, etc.	0.0	0.1	0.3	0.9	0.3	0.4	0.4	0.5
Commerce	4.7	5.4	5.1	9.1	8.3	9.5	10.3	10.8
Transportation	1.0	1.5	2.0	2.5	2.6	3.1	3.6	3.9
Services (including gov't)	2.5	6.6	7.4	7.4	10.6	13.5	13.8	14.1
Other	3.6	4.2	3.9	2.7	4.3	0.7	—	—
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: *La Economia Mexicana en Cifras* (National Financiera, Mexico 1966) p. 46.

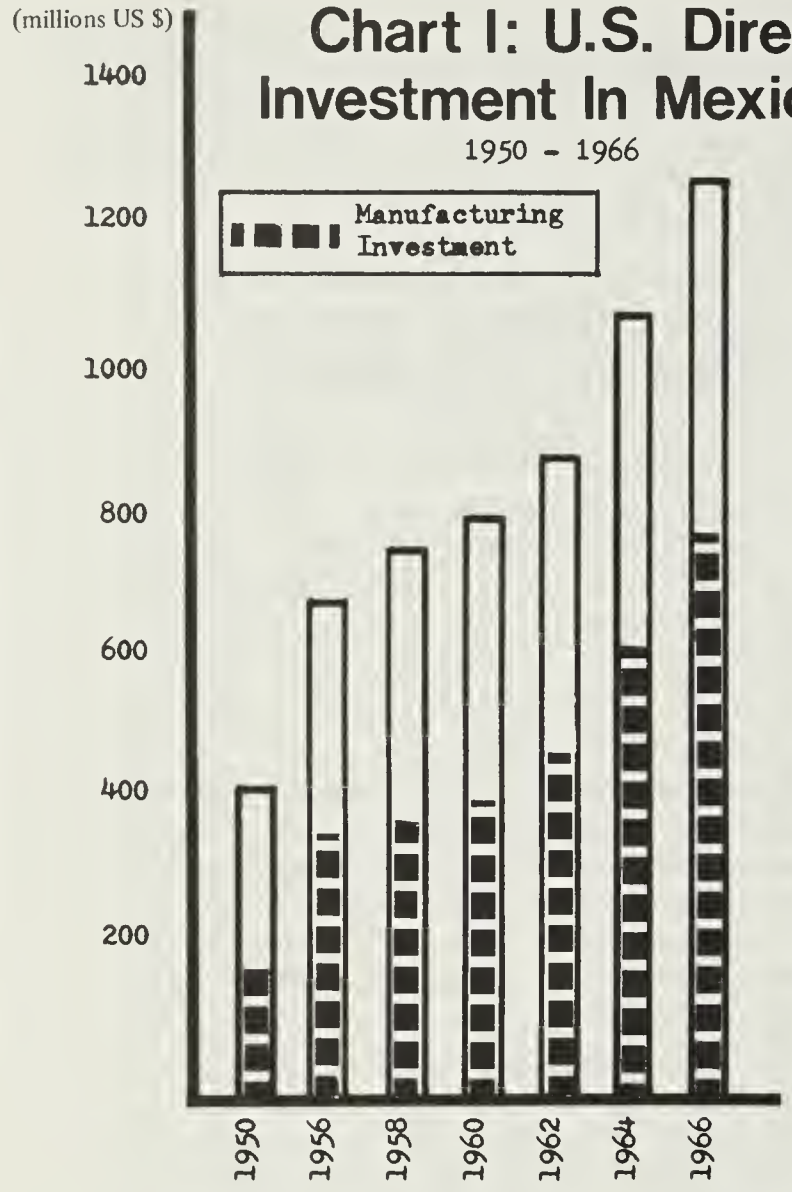


Chart I: U.S. Direct Investment In Mexico

1950 - 1966

Source: U.S. Dept. of Commerce, *Survey of Current Business*, various issues 1958-1967 and US Business Investments in Foreign Countries (Washington, D.C., 1960).

Arthur D. Little, Inc.

ACORN PARK
CAMBRIDGE, MASSACHUSETTS 02140
AREA CODE 617 864-5770

At recent seminars held by Arthur D. Little, Inc., in New York City, Chicago, and Los Angeles, members of our Mexico City staff discussed the political and economic climate for investment opportunities in Mexico. This report is based on their comments.

ADL has been concerned with developments in Mexico for over 50 years. For example, investigations of energy resources in the Western Hemisphere, begun by Dr. Little in 1916, led to a study of Mexican Petroleum resources. Since then we have performed many studies for agencies of the Mexican Government and for private interests in Mexico, the United States and various foreign countries. ADL has conducted many studies of investment opportunities in Mexico for U.S. investors and has assisted in implementing investment programs. We have recently completed a study "Current Mexican Attitudes Toward Foreign Investment."

Mexico continues to present interesting opportunities for investment. The Gross National Product of Mexico is expected to grow from $21 billion in 1966 to $27 billion in 1970, for an average annual increase of 6.5%; it has political stability; it has hard currency; it has no restraints on the outflow of profit. Further, the Mexican Government, while intent on protecting what it considers its legitimate national interests, is prepared to negotiate to encourage foreign investors that contribute to national economic development. The Mexican Government is especially interested in attracting foreign investment in areas which demand a high degree of technology or involve a certain amount of risk.

We hope you will find this report of interest.

Sincerely,

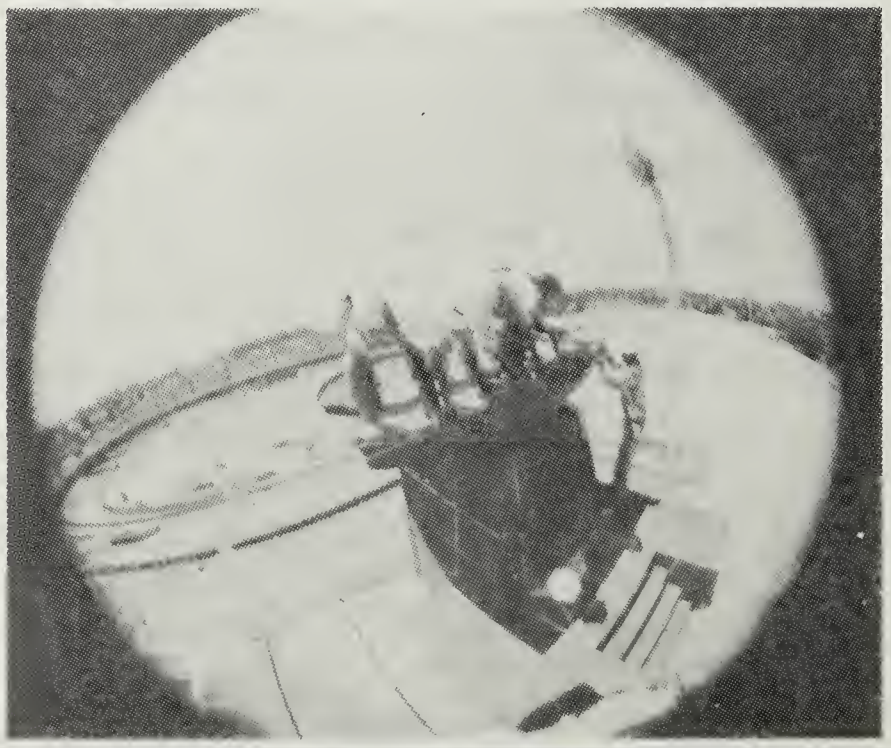
Vice President
Management Services Division

The Costs of the Olympics

The Mexican government announced it planned to spend approximately $160 million in construction and preparation costs for the Olympic games. About $40 million were spent on new installations including the Sports Palace, the Olympic Velodrome, Gymnasium, Swimming Pool and Olympic Village. The Village contained business locations, dining halls, a press center, medical clinic and apartments for athletes, trainers and officials. Part of the government expenditures were used to improve facilities already in existence, such as the UNAM's Olympic Stadium and Pool, the Aztec Stadium, The National Auditorium, the Insurgentes Theater and a few ice rinks, and improve highway communication between them.

The government expects a revenue of approximately $92 million from the sale of television transmission rights, (American Broadcasting Company got the U.S. contract) Olympic Village dwelling units (primarily to middle-income government functionaries) and Olympic stamps, tickets and souvenirs. The federal budget-makers counted on a loss of about $66 million.

In return for this great expenditure, Mexico will obtain some of the most impressive sports facilities in the world, new and improved roads, the beginnings of a modern subway system, an influx of thousands of tourists and, most important, it will supposedly create an atmosphere that will impress foreign visitors and further boost the investment of foreign capital.



Construction industry buoyed by Olympic Games

U.S. CORPORATIONS IN MEXICO

A U.S. company that puts its money into Mexico can be confident of avoiding most of the problems which customarily unnerve foreign investors elsewhere in Latin America. The country has gone for decades without a revolutionary change in government, the dangers of sudden expropriation are minimal, and the currency is stable.

–*Fortune*, April,1965

In a world plagued with credibility gaps and liberal facades, one thing can be said with reasonable assurance–*Fortune* magazine tells it like it is. The Mexican political climate has been good to U.S. investments.

The party of President Díaz Ordaz is called the Institutional Revolutionary Party (PRI). Since 1928, Mexico has been ruled by a national "revolutionary" party (it has twice changed its name) which derived legitimacy from the Revolution of 1910. The party saw its most glorious days under the presidency of General Lazaro Cárdenas, (1934-1940) an Indian with only three years schooling. He took the nationalist and populist ideals of the Revolution seriously enough to carry out the transfer of hundreds of haciendas into community *ejidos*, redistributing more than 45,000,000 acres of land; he strengthened the labor movement; and in 1938, faced with an oil workers' strike, he nationalized the oil industry. His successors, however, didn't continue the process. The "institutionalization" of the Revolution now represented by Díaz and the PRI is the ultimate corruption of the Revolution's ideals.

The Constitution of 1917 embodied the Revolution's nationalism. Article 27 set forth a revolutionary doctrine of property for Mexico: "The ownership of land and waters . . . . [and] the nation shall have at all times the right to impose upon private property such restrictions as the public interest may require . . . in order to conserve and equitably distribute the public wealth . . . In the nation is vested direct ownership of all mineral fuels, petroleum, and all hydrocarbons–solid, liquid, or gaseous." (Gerassi, p. 101). It was this section which was the legal foundation for the 1938 nationalization of oil. The Mexican government expropriated seventeen British and American oil companies and set up *Petroleos Mexicanos* (Pemex) which is now the largest integrated oil and gas producer in Latin America and the largest dispenser of social services outside the federal government. Both the legal and popular foundation existed for the continuation of nationalization by Cárdenas' successors. There is no doubt that such a course of development would have insured the flow of capital resources downward to the impoverished peasant class. Instead, shortly after World War II, the decision was made to pursue industrial development through a policy of "Mexicanization." This policy has strengthened and accelerated the growth of Mexico's national bourgeoisie (see box on Mexico's wealthy). By defining virtually all industrial sectors as part of the private domain, it has channeled capital upward, and has permitted the penetration and domination of U.S. capital.

The "Mexicanization" policy divides all industries into four categories: (1) fields reserved exclusively for the state, (2) fields reserved for Mexican citizens only, (3) fields in which foreign capital is limited to 49% interest, and (4) fields in which foreign capital has a free reign. In the first category, the government placed crucial public services (telegraph, radio, mail, railroads, and electricity). The oil industry and the primary processing of petrochemicals also fall into the category reserved for the state, but concessions are granted to private firms. The second category covers broadcasting, gas, and automotive transport. The third category requiring 51% Mexican control include the following: insurance, bonding, advertising, publishing, the film industry, air, maritime and land transportation within Mexico; the secondary processing of petrochemicals, commercial fishing, food canning and packing, and such industries as rubber, soft drinks, fertilizers, insecticides, basic chemicals, mining, agriculture and livestock raising. Foreign capital is free to invest in other areas without restraint.

The first thing to be said about "Mexicanization" is that it isn't necessarily enforced and it doesn't necessarily cover major sectors. Many firms, and among them some of the largest, are still 100% foreign controlled–General Motors, Ford, General Electric, Admiral Corp., Monsanto Co., and Anderson-Clayton, for example.

A second important aspect of the policy is that its categories were never stipulated by legislation. The delineation of categories and the implementation of the policy rest with officials in the executive branch of the government and ultimately, of course, with the President. Even areas of industrial activity which are covered by legislation are subject to a certain amount of arbitrary executive judgement. An example is the 1954 "Law for the Development of New and Necessary Industries" which gives numerous concessions on taxes, import and export duties, and other favors, to those industries falling into the loosely defined categories of national necessity and desirability. A major result of the policy is widespread bribery of government officials. Another result is that officials are highly subject to political and economic pressure from foreign investors.

An example of the ways in which U.S. firms penetrate the Mexican market and at the same time circumvent the restrictions imposed by "Mexicanization"–aside from the more blatant examples of simply ignoring the restrictions–is the following case of E.I. DuPont de Nemours. It is expecially important in that DuPont, which is unique among large U.S. corporations in its low-risk, family-governed policies, had never before taken a minority position in an overseas subsidiary. The quotation is taken from a publication for foreign investors put out by the *Banco de Comercio* of Mexico:

At the *Banco de Comercio*, we are always fond of remembering our first experience in underwriting: *Pigmentos y Productos Químicos, S.A.* Aside from being the first in a series of operations which we feel will be useful to the nation, this transaction has, to our mind, uniquely interesting characteristics. Allow us, then, to retrace the steps that we followed.

In 1958 the nation imported all of the titanium dioxide used in manufacturing. At the time these purchases were made mainly through an American company, E.I. DuPont de Nemours. The expenditure for this item involved several million pesos, and it was decided to replace these imports by domestic production. Accordingly, *Nacional Financiera, S.A.*, the government's development bank, drew up the first blueprints to establish a titanium dioxide plant in Mexico. DuPont, however, fearful of losing a profitable market, constructed its own factory before the *Nacional Financiera*

took any further steps. [DuPont sunk a million dollars into the project.]

Nevertheless, the authorities did not favor DuPont's position as the sole domestic producer. And since the size of the market did not warrant two companies producing the same chemical, a compromise solution was sought. *Dupont, then forming a precedent in its international history, sought Mexican partners to become owners of 51 percent of the company's stock.*

They soon communicated their desires to us, and our management became very interested. The operation implied a close relationship with the largest chemical combine in the world. And, moreover, quite a challenge was presented to us. *We had to find the economic and legal formula for the Mexicanization which would be acceptable and practical for the U.S. partners.*

After carefully studying the project in all of its different aspects, the *Banco de Comercio* suggested the issue of trustee shares. According to this plan, a trust contract was to be set up for 51 percent of the stock, and trustee shares would then be issued and sold to Mexican citizens. *The trustee shares, while entitled to all the rights of the common stock, were to be devoid of voting power which was reserved specifically for the trustee.* It was suggested that the *Banco de Comercio,* as a Mexican enterprise owned by Mexican citizens, be the trustee. This formula seemed adequate for both the government and for the U.S. interests; the former was assured of the firm's Mexicanization; and the latter, in turn, had the full cooperation of a company with the energy and prestige of the *Banco de Comercio.* It is not surprising, then, that the series of recommendations were heartily accepted by all parties involved.

[A discussion of the price of the trustee shares and the subsequent profits is followed with:] More important yet, however, is the fact that the *Banco de Comercio and DuPont (in charge of all technical and administrative affairs of Pigmentos y Productos Químicos) have maintained a close relationship with absolutely no friction.* [Our italics throughout–NACLA].

The example of DuPont–which pursues one of the most conservative investment policies of U.S. corporations –being "in charge of all technical and administrative affairs" signaled the profitability of Mexican investments even under the restraints of minority interest. In other words, if DuPont could do it, so could other U.S. corporations. And they did.

Agribusiness

The business of agriculture is the selling of farm machinery, the manufacture of fertilizers and feed products, and the merchandizing and processing of the actual agricultural commodities. It is something quite distinct from the actual cultivation of the land, but the two are inextricably intertwined. The work of agriculture is the means of sustenance for over half of Mexico's population. The business of agriculture is in large part the domain of U.S. corporations.

Land tenure was one of the great issues of the 1910 Revolution, and the failure of land reform parallels the failure of nationalization in the industrial sector. [For an excellent discussion of this, although slightly dated, see "Mexico: The Janus Faces of 20th Century Bourgeios Revolution," by Andrew Gunder Frank, *Monthly Review,* November, 1962] Mexico is not blessed with rich land. Only a quarter of the land is potentially arable, and probably as little as 10 percent is either irrigated or endowed with enough rainfall to be actually arable. Mexico's Agrarian Reform Law of 1915 provided for the distribution of land to landless farmers. Figures from that time through 1966 show that some 56,630,000 hectares (2.47 hectares to the acre) were distributed. Out of the twelve presidents who have held office during that time, Lazaro Cárdenas (1934-1940) was responsible for 32 percent of the total distribution. Adolfo López Mateos (1958-1964) is the only other president responsible for more than 10 percent of the distribution; he ranks a close second with 28 percent. Díaz Ordaz, in the two years represented in the statistics, has accounted for only 4.4 percent of the total. But the figures belie the significance of the distribution. The land varies greatly in quality, and much of the land distributed in recent years has been forest or desert. The northern state of Sonora, for example, has irrigated farms which are mechanized and efficient. It produced $900 of farm products per worker in 1960. In Oaxaca, Puebla and Michoacán, the average worker produced only $104 worth. The overwhelming majority of the farm population lives in the latter, or similarly afflicted, areas.

It is estimated that before the Revolution 97 percent of the farmland was owned by fewer than 1,000 families, leaving over 90 percent of the peasants holding no land and living in a state of peonage. Although the Mexican government doesn't provide statistics on the present concentration of land ownership, there is no doubt that the land distribution program has spread land holdings among the peasantry. Peasant plots were distributed primarily through the *ejido* system of communal ownership. Under this system, a farmer has the use of the land, but not the ownership. He can hold it for his lifetime and pass it on to an heir, but cannot sell, rent or mortgage it. A study of the Bajío region of Central Mexico (poor land, representative of the majority of land) reveals the discrepancy of resource endowments between *ejido* and small private agriculture. (the study was reported by Andrew Gunder Frank, *Monthly Review,* see above). Relative to private farmers *ejidatarios* have less land (3.8 as against 16.5 hectares per man); more third-quality land and less first-quality land; less education (about one tenth of their school-age children in primary school as against one half for the private farmers); more unemployment (85 percent of the total); less investment in irrigation (private farmers have 35 percent more irrigated surface and use 65 percent more water); less capital (40 percent of the amount that private owners have, although there are three times as many *ejidatarios*); more dependence on almost exclusively public credit and outside capital supplies, while private farmers have access to a much larger supply of private credit.

But the statistics of small private agriculture and the *ejidos* say nothing–and neither does the Mexican government–about the size and resources of large private agriculture. Although the size of private farms are limited by law to 100 hectares (247 acres), exceptions to the rule are as rife as the exceptions to "Mexicanization" requirements. Mexican presidents are notorious for passing out land to friends, and there is no limit to the number of private plots which can be owned by a family (so brothers, sisters, cousins, etc. can hold land which in actuality comprises a single unit). Large plots are still kept from public productivity by individuals who use them for grazing fighting bulls and thoroughbred horses.

A more pressing dynamic in operation, moreover, is the move into more mechanized agriculture. *Latin America '67 (Visión's* annual review of Latin American business and development, p. 117) explains government policy on this matter: "Mexico's principal agricultural goal–given the limitations of the land and the social conditions–will be to increase yield through technological improvements on the best land, and thereby providing (sic) more marginal lands

MEXICO'S WEALTHY

The post-World War II policy of "Mexicanization" with its roots in the Presidency of Miguel Alemán reserved most areas of industrial development to the private sector. The potential for private investment has manifested itself in a new class of wealthy industrialists and financiers–including among their ranks Alemán himself, now a multimillionaire. The fact that Mexico's capital is concentrated in this class means that the country's most rapid growth area for capital is in the hands of an elite. This concentration is described in the following quotation, taken from a 1964 report by Frank Branderburg for the National Planning Association *(The Development of Latin American Private Enterprise,* p. 62):

What the company breakdown (the top 30 Mexican companies ranked by assets) fails to reveal is the concentration of ownership in single families and small groups who own no individual business corporation large enough to tank in the top 30, but who in fact account for holding which, if combined, would exceed the capital and reserves of firms on the list. The extensive Banco de Comercio financial complex – central bank, affiliated banks in the provinces, insurance company, *financiera*, mortgage bank, etc. – does not appear because each enterprise is incorporated separately. Banco National de México does appear on the list but without inclusion of capital and reserves of its several individually incorporated financial affiliates. Resources of the García family represented in sugar and banking firms would also reach a total figure requiring inclusion among the top financial complexes. A similar situation would apply to consolidation of enterprises of the Garza Sada-G. Sada families not entered on the accompanying list and to those of Ruiz Galindo, Azcarraga, and a few other families.

Profiles of Mexican entrepreneurs appear frequently in U.S. business publications – U.S. businessmen seem particularly pleased to expound on the virtues of the Mexican class created in their image. The Mexican businessmen, in turn, seem particularly predisposed to remark on the threat posed by Communist Cuba and on the willingness of Mexican business to embark on joint ventures with U.S. capital.

The following profiles identify the most important of Mexico's capitalists and their interests:

Agustín Legoretta, age 55, is Director General of the National Bank of Mexico (assets, $790,500,000) and a catalyst in combining foreign and domestic capital for investment in Mexico; his interests range from steel plants to cigarette factories.

Bernardo Quintana, age 48, heads Civil Engineers Associated, a construction empire of 450 engineers and 15,000 to 25,000 workers depending on the flow of projects; he is looking into expansion into Central America.

Antonio Ruiz Galindo, internationally prominent industrialist, is a manufacturer of office furniture and president of the powerful National Confederation of Industrial Chambers.

Manuel Espinosa Yglesias is a close associate of the President's and Director General of the Banco de Comercio (probably the largest financial system in existence, with 1965 assets of $216 million and 28 affiliate commercial banks with aggregate assets of $336 million - 1968 statistics show the system's total assets to be up by $300 million); his bank worked out "satisfactory" arrangements for DuPont's compliance with the "Mexicanization" policy.

Eduardo Prieto López, copper magnate, is president of three copper companies – Cananea (100% owned by Anaconda), Condumek (Mexican owned), and Imperial Eastman de Mexico (Mexican and American owned)–and vice president of another.

The **Garza Sada** family is central to the booming Monterrey industrial complex; they control Celulosa y Derivados (CYDSA), the largest non-government chemical firm owned solely by Mexicans; if combined with its affiliates, also controlled by the family, CYDSA ranks as the second largest chemical company in Mexico (next to the U.S. controlled Celanese Mexicana).

Don Emilio Azcarraga and **Don Romulo O'Farrill** head Telesistema Mexicana which has a virtual monopoly over the television industry in Mexico and is one of the largest TV monopolies in the world. O'Farrill is also President and General Manager–and his son is Vice President and Editor-in-Chief of *The News,* Mexico City's major English language newspaper and an example of yellow journalism at its best. Their comments on the Mexican student rebellion included a cartoon of a Mexican student, with puppet strings attached, frothing at the mouth as he shoots policemen.

Don Poncho Aguirre, one of Mexico's leading nightclub impresarios, is the owner of the Mexican Radio and Television Corporation–Mexico's leading radio operator with growing interests in television.

But by far the two most interesting – and probably the most powerful – of the Mexican capitalists are Bruno Pagliai and Carlos Trouyet, both of foreign extraction and both noted for their predilection for joint ventures with U.S. capital.

Bruno Pagliai, age 64, is Italian born; he got his start as a trainee with the Bank of America in San Francisco. Pagliai has a personal fortune worth well over $50 million as well as a distinguished art collection, actress wife, and wine cellar (which he supplemented by buying his own French vineyards). He built his fortune in steel and aluminum products and recently went into shipyards, printing and publishing. He's president of Mexico's only seamless pipe company and a joint partner (with Alcoa) in Mexico's largest aluminum plant; he heads the group that bought 51% interest in American Smelting and Refining Co.'s Mexican subsidiary and leads the Cia. Intercontinental de Desarrollo which owns 66% of a new sulphur venture, Azufrera Intercontinental (along with Ashland Oil and International Minerals and Chemical Corp.). Aside from being an exponent of the "joint capital" theory of development, he also believes that industries cannot any longer be just for national markets (Mexico's own brand of imperialism).

Carlos Trouyet, age 63, is the son of a French immigrant and Mexico's top venture capitalist. He is already director of some 49 companies and busily

launching dozens of new ones – ranging from factoring and food machinery to milling, tanning, plastics, and soft drinks. He became the friend, banker and adviser to Miguel Alemán before Alemán was elected President, and was his chairman in a co-venture with U.S. capital – the Continental Hilton Hotel in Mexico City. He was also Hilton's partner in building the Hotel Las Brisas in Acapulco. His "Chihuahua complex" embraces a paper-pulp mill, a rayon plant, a plywood plant, and a government concession for timber cutting. He has also branched into the Banco Comercial Mexicano (assets $112 million) and Manuel Senderos' $16 million insurance operation–the biggest in Mexico–and with textile king, Jerónimo Arango, is modernizing mills to make garments for a discount chain run by Arango's sons. In 1958, when there was talk of nationalizing Teléfonos de México (then 74% owned by IT&T and Sweden's L.M. Ericsson), he raised $24,600,000 of private capital to buy it, selling stock to some 50,000 Mexicans and placing $1,800,000 worth with U.S. investors. He is noted for his diamond lapel pin in the shape of a coyote. A coyote, in Mexican business slang, is a slick deal maker.

for parcelization in the continuing agrarian reform." The result is that the general peasantry is caught in a vicious cycle: although he has the usage of the land, it is marginal, unproductive and small in size; it is usually located in areas where the infrastructure (access roads, etc.) cannot support large-scale production and movement of crops; and he must compete with increasingly mechanized farms for markets.

The trend toward mechanization presents dire problems for the average peasant who must operate on a low or non-existent margin of credit. Public agricultural credit accounts for no more than a third of all agricultural credit (Andrew Gunder Frank), and about half of that is supplied not by the *Ejido* Bank but by the Agricultural Bank which lends to large private landholders. Oscar Lewis (mentioned by Frank; see above) quotes the research director of the *Ejido* Bank: "We lend to about one third of all *ejidatarios,* those that have the richest and best lands. We prefer risks that have fertile soil and preferably irrigation. We do not have enough money for loans to subsistence farmers most of whom have the poorest lands." Private credit reaches the *ejidatario* still less; for example, the U.S. concern Anderson -Clayton lends 2.5 billion pesos annually (compared to the 1.5 billion pesos lent by the *Ejido* Bank to all *ejidatarios* combined) and it goes to cotton growers and is earmarked for special purposes. A *New York Times* story (October 3, 1967) dealing with the credit squeeze on small farmers, explained that private banks aren't willing to extend credit to small farmers when they can deal more safely and easily with industry, commerce and the building trades. The story focused on Chilpanicingo, in the predominantly agricultural state of Guerrero. Families there consume most of what they raise and have little surplus for marketing. The School of Agriculture at the University of Guerrero estimates that cash income for many growers is as low as the equivalent of $80 a year. Because credit on reasonable terms is not available, many peasants sell surplus crops in advance to a middleman at low prices, or get credit at high-interest rates from the local storekeeper for food, seed and supplies. According to the *Times,* "More than 80 percent of the people are engaged in farming and many of them are so strapped for cash just to survive that they are backsliding to the days of peonage a half century ago when the peasant was bound to a large estate by perpetual debt."

The *Times* article poses Mexico's agricultural dilemma, "With a fast-rising population, Guerrero [representative of most of Mexico's agricultural sector–poor land tilled by poor peasants] is faced, as is the rest of the country, with a dramatic problem of what to do with landless peasants or those who, able to obtain only one meager crop a year, are idle two-thirds of the time." Mexico, rather than forming large state farms or co-operatives on good land with government subsidies for machinery and supplies, apparently opted for private development in the agricultural sphere. The result is that the peasants (who make up the largest sector of Mexico's economy) are either relegated to eking out subsistence on poor land, or forced into moving off the land, thereby flooding the urban job markets.

Agribusiness, in turn, is booming. U.S. corporations dominate the production and sale of machinery, fertilizers, seed, livestock feed, and the processing and merchandizing of agricultural goods. They often benefit indirectly from U.S. "self-help" programs. University and foundation projects train Mexican agronimists in the use of machinery and other technological aids, which help open the local consumer market to fields in which U.S. firms are dominant. U.S. government loans for the purchase of agricultural equipment are required to be spent on U.S.-produced goods. And the economy becomes both dependent on U.S. business and grossly deformed to meet U.S. needs. For example, U.S. firms are processing frozen strawberries, broccoli and asparagus in Mexico exclusively for export to the U.S. "prestige food" market while the average Mexican subsists on rice, corn and beans.

U.S. hegemony in the food processing industry is all the more degrading because of its visibility. U.S. brand names dominate the food market–from Coca Cola (which also produces Minute Maid frozen orange juice) through Pepsico, and Canada Dry (citrus fruit and flavors) to Tastee Freeze ice cream and William Wrigley chewing gum. The purchase of Clement Jacques, one of Mexico's oldest food preserves companies, by United Fruit in 1967 alarmed some observers in part because of United Fruit's propensity for overthrowing uncooperative governments, but also because it was a very visible link in a long chain of foreign domination in this area. United Fruit (U.S. owners of Baskin Robbins Ice Cream and A & W Root Beer), in Mexico, is primarily engaged in the production of prestige foods for export to the Southern United States. In the food preservation category, almost every well-known U.S. brand-name is represented: H.J. Heinz, Gerber's, Del Monte, Campbell's Soup, and even the Jolly Green Giant. Dominating the milk products field are Carnation (Mexican brand-name *Clavel*), National Dairy Products (with Kraft and Velveeta cheese, etc.), Borden's (*Holanda* ice cream), Beatrice Food Co. (*Lacto Productos La Loma*), and Pet Milk. The National Biscuit Co. (*Fábricas Modernas, S.A.*), Continental Baking, Quality Bakers, and Standard Brands are into bread, flour, crackers and cake production. The cereal and coffee market is penetrated by General Foods and National Dairy Products. Standard Brands *(Alimenticias Internacionales)* is planning million dollar plants in several locations; and Corn Products, which produces industrial starches as well as consumer goods, is spending $3 million on expansion in their Guadalajara corn milling

plant. General Foods' Birds Eye division is freezing asparagus and broccoli for export in their Celaya operation; and it is Pet Milk which is exporting frozen strawberries.

In the machinery field, International Harvester and John Deere & Co. are the main importers and manufacturers of agricultural implements. In the related truck industry, Cummins Engine Co. dominates 25 percent of the medium truck market and competes with U.S. automobile corporations which also produce trucks in Mexico.

The most important U.S. penetration of the agribusiness sector, however, has been made by Anderson-Clayton Cotton Co., a Texas-based corporation [see box on Southwest interest nexus]. Mexico is the world's fifth largest producer of cotton and the continent's third largest, behind the United States and Brazil. Cotton represents about one fifth of Mexico's foreign trade; it is the work of 800,000 Mexicans and, counting their families, about four million people are dependent on the product. Mexican domestic consumption of their cotton is only about 25 percent of the total production; over 40 percent of her cotton goes to the United States.

Although Anderson-Clayton Co. (ACCO) is not directly involved in the cultivation of cotton in Mexico, it exercises a near monopoly over the production, as it also does in the United States, Brazil and Peru. ACCO ranks 10th among Mexicen companies based on net earnings which in 1967 were about 3.5 million dollars; by sales, it ranks second with about 130 million dollars in 1967 sales. (*Noticias* September 4, 1968).

Cotton is not only useful as a fiber in textiles (although Burlington Industries and other U.S. firms make use of Mexican cotton that way), but it is also the source of cottonseed oil. ACCO's Mexican operations are primarily in the processing of cottonseed oil for sale as consumer goods and the merchandizing of cotton on the international market. It dominates Mexico's edible oils market; along with Ralston-Purina it dominates the cattle feed market; through its recent acquisition of Luxus Candies, ACCO has branched into hard candies, caramels and chocolates in Mexico; and it is making inroads into the market for veterinary products, planting seeds and agricultural chemicals, including imported insecticides. The following is a complete list of ACCO's Mexican product line as it appears in their 1967 annual report:

Anderson, Clayton & Co., S.A.
Subsidiaries:
Inmobiliaria Acomex, S.A. de C.V.
Productos API-ABA, S.A.
Promociones San Andres, S.A.
Margarines: Mirasol, Primavera, Fantasia
Edible Oils: Capullo, Milagro, Triunfo, Abc
Shortenings: Inca, Abc, Milagro, Pulpam
Chocolates & Candies: Luxus
Prepared Food Mixes: Pronto
Peanut Butter: Aladino
Coconut Products: Accobril, Bisfil
Emulsifier: Glester
Agricultural Chemicals: Matador
Formulated Animal Feeds: Api-Aba, Ganador
Planting Seeds & Field Inoculants: Pagador

The majority of Mexico's cotton production is siphoned off in exports to the United States through the intermediary of Anderson-Clayton—both as a raw product and as processed seed oil. Some, undoubtedly, is used in the production of ACCO's domestic consumer items like Chiffon margarine and Seven Seas Salad Dressing. But, the United States consumes only about 10 percent of Mexico's cotton; ACCO, inturn, exports it to other countries. Its advantage on the international market can't be overstated. Four out of its six Mexican subsidiaries are wholly owned, giving it complete administrative powers. Furthermore, ACCO distributes about 200 million dollars of credit in Mexico for the production of cotton from sowing to shipping, thereby effectively determining the buyer and selling price for Mexican cotton before its production, and preventing Mexico from disposing of her cotton production where and when she might wish. This arrangement also contributes to the maintenance of a monoculture and plantation economy for Mexico's largest agricultural commodity. Even more important is the fact that the United States controls the world market prices for cotton—or rather Anderson-Clayton itself does because it monopolized cotton production in the United States (not to speak of Brazil and Mexico, the continent's other largest cotton producers). A one cent drop in world market prices plunges Mexican earnings almost 9 million dollars. The policy of cotton "dumping" which has elicited numerous criticisms from the Mexican government in the last two years is the prerogative of none other than Anderson-Clayton.

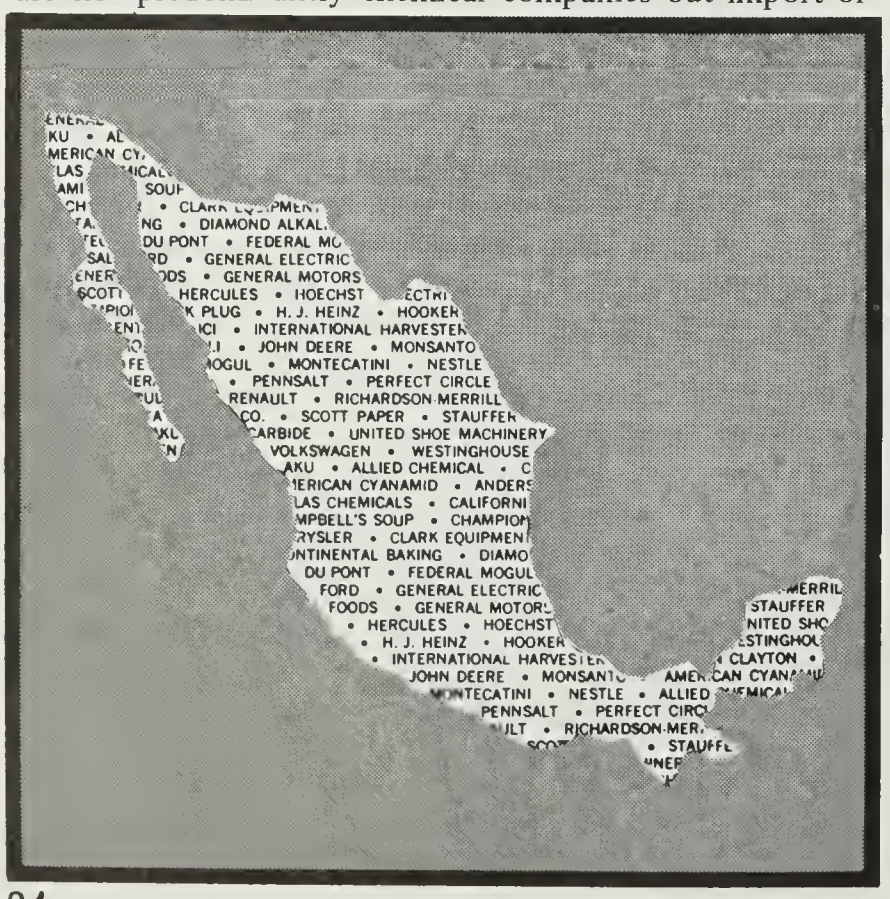
Chemicals

The Mexican Gross National Product has been increasing over the last ten years at an annual rate of about 6 percent. Since 1960, chemical production has increased by an average annual rate of almost 12 percent. Total chemical consumption in 1967 was about $1.28 billion and total production about $1.12 billion. Total investment in the industry was about $830 million and investments are likely to increase to $1.46 billion by 1970. Or, put another way (from *Chemical & Engineering News–C&EN*–"Mexico Strives for Industrial Independence," December 4, 1967), "Sum up the Mexican chemical industry this way: Its size is less than 5 percent that of its U.S. counterpart. It has been growing nearly twice as fast during the past half dozen years. Its return on investment is appreciably higher."

The main concentration of the chemical industry is around Mexico City, although smaller concentrations are growing up around Monterrey, Guadalajara and a few other cities. *C&EN* (10/9/67) also mentions another development area, "The whole isthmus area around Coatzacoalcos may become the Houston of Mexico," due to the availability of petroleum, natural gas and port facilities. Mexico has most of the necessary raw materials for chemical production: oil, gas, sulphur and salt. Had the petroleum industry–including the industry built around petroleum derivatives–not been nationalized in 1938 and utilized primarily for domestic purposes rather than for foreign export, Mexico would probably now be dependent on a monoculture built around her petroleum resources. As it now stands, the Mexican government represents about 40 percent of the total investment in Mexico's chemical industry and most of the government's chemical production is centered around Pemex, the nationalized oil operation.

But giving credit where credit is obviously due—to U.S. business' "entrepreneurial" spirit—it must be mentioned that U.S. corporations have moved into the areas open to them. This prompts the question of which areas are open and which are not. The Mexican government is directly engaged in manufacturing chemicals through Pemex (petrochemicals), *Guanos y Fertilizantes* (fertilizers) and *Industria Petroquímica Nacional* (various chemicals), and is engaged in several joint ventures. It also regulates chemical production through the New and Necessary Industries Law and the Regulation of the Petroleum Law. With regard to the first, the Secretary of Industry, in June 1967, published a list of 500 products that should be produced in Mexico and are important to the economy. This list included 98 chemical products and 49 pharmaceutical products. In practice, certain tax incentives and tariff reductions are extended to such "Necessary" industries. The Regulation of the Petroleum Law, passed in August 1959, states that primary petrochemicals must be produced by the state; secondary petrochemicals must be produced by companies with majority Mexican ownership. Definitions of what constituted a "primary" or "secondary" petrochemical weren't spelled out by law, and confusion reigned among U.S. corporations. Finally in March 1967, the government issued a white paper breaking down the categories: (1) refinery by-products were reserved exclusively to Pemex; (2) basic petrochemicals—about 45 chemicals, including components of a number of resins—were reserved to Pemex or government organizations associated with Pemex; no private capital was allowed; (3) secondary petrochemicals—108 products, including several resins, organic acids and nitric acid—required majority Mexican capital; (4) an unrestricted category, requiring no permit, included among the 36 examples: adhesives, paints, pharmaceuticals, several resins and synthetic fibers.

U.S. companies have invested close to $200 million in Mexican chemical ventures. Some of the familiar names are Celanese, Du Pont, Union Carbide, Dow, Cyanamid and Monsanto. It is difficult to rope off categories in which to fit chemical companies. For example, agriculture ranks first as a consumer of chemicals, ahead of all industrial uses combined, due primarily to the increased use of fertilizers in Mexico. Some U.S. corporations, like Anderson-Clayton, are not predominantly chemical companies but import or produce insecticides or other agricultural chemicals. Some predominantly chemical companies manufacture other items in addition—Du Pont's munitions manufacturing is an example. And sulphur, which is necessary to many chemical processes, is produced by U.S. firms which are primarily mining companies. Because of sulphur's importance in the Mexican economy, it will be treated separately.



Ranking Mexican chemical companies isn't easy. Several of the largest are privately controlled and do not release significant financial data. There is also the problem of how affiliated companies or joint ventures can be meaningfully compared. *Celanese Mexicana*, Mexico's leading producer of man-made fibers, had 1966 sales of $60 million and is probably the largest non-governmental chemical firm south of the border. The largest chemical firm owned solely by Mexicans (see box on Mexico's Wealthy) is *Celulosa y Derivados* (Cydsa) which had 1966 sales of $20 million. Du Pont's total Mexican interests—one wholly owned subsidiary and five affiliates in which Du Pont directly or indirectly has minority ownership—taken as a whole, probably rank above Cydsa. Following these big three are *Monsanto Mexicana*, wholly owned by Monsanto, and *Union Carbide Mexicana*, 60 percent owned by Union Carbide with 1966 sales of $18 million.

Only a handful of chemical companies in Mexico are partially owned by the Mexican public and therefore report full financial data. But some examples of the profitability of operations in Mexico are available. *Union Carbide Mexicana's* return on equity (after taxes) is slightly lower (15.7 percent) than its parent company's last year, but profit margins (11.5 percent) are higher. The same is true for Celanese; its Mexican company's return on equity (10.2 percent in 1966) was slightly lower than that of U.S. Celanese, but after-tax margins (9.5 percent) have been roughly 50 percent higher. This is due partly to the cheap labor available in Mexico (a qualified chemical worker earns about $6-$8 a day), and also to the high returns on sales of imports. Although production of chemicals in Mexico has nearly doubled since 1960, for example, imports of chemicals are up 20 percent since then, to $215 million in 1966; and 72 percent of the total comes from the United States.

Even with government control over many products, U.S. firms have unrestricted investment opportunities in adhesives, paints, pharmaceuticals and synthetics. In addition, the 1959 Petroleum Act was not made retroactive; thus companies that were producing in restricted areas prior to 1959, continue unabated. Several of the largest U.S. chemical producers in Mexico remain wholly owned: Monsanto, Dow, Hooker, Pennsalt, and Cyanamid are examples. Although American Cyanamid, which is primarily a pharmaceutical concern, is going into rubber chemicals as a majority partner with Mexicans, Hooker took a minority position to form *Minera de Sotàvento* with Mexican interests to explore for sulphur, and *Industrial Química Pennsalt*, though still wholly owned, is a minority partner in four Mexicanized affiliates.

But even more important is the success with which U.S. chemical firms have been able to continue large profit margins while "Mexicanized." Du Pont, an example cited in the foregoing section on "Mexicanization," took its first minority position in Mexico. It apparently has not regretted its decision. Since forming *Pigmentos y Productos Químicos* (PPQ) in concert with the *Banco de Comercio*, Du Pont has joined as the minority partner in four additional joint ventures in Mexico. It holds 49 percent in *Tetraetilo de Mexico* in partnership with Pemex; 49 percent in *Policrón*

de México with *Nylon de México*; 25 percent in *Halocarburos* which produces refrigerants and propellants along with Stauffer Chemical and Mexican investors. Remington Arms, which Du Pont controls, holds 40 percent of a Mexican firm that makes ammunition. Du Pont's original operation, *Du Pont, S.A. de C.V.*, is still wholly owned, making explosives, paint and agricultural chemicals and handling sales of Du Pont products imported into Mexico.

Mexican capital participated from the start in *Celanese Mexicana* in 1944 making cellulose acetate filament; Celanese initially had 51 percent interest; it now has 46 percent. *Química General* was spun off from *Celanese Mexicana* in 1961 with 40 percent interest retained by Celanese. But the following quotes should make it clear why "Mexicanization" hasn't been a problem for U.S. chemical firms. " 'Perhaps Celanese could have owned the whole pie,' says Addison Lynch, director of operations for *Celanese Mexicana*, 'but the entire pie would have been smaller than the slices it has now if it had not permitted local owners to have a share.' " (*C&EN*, December 4, 1967). The same article quotes another American with Mexican experience: "A U.S. company with $2 million to invest in Mexico would often be better off if it divided its investment between two $1 million projects with local partners than if it put the entire amount in a single wholly owned project."

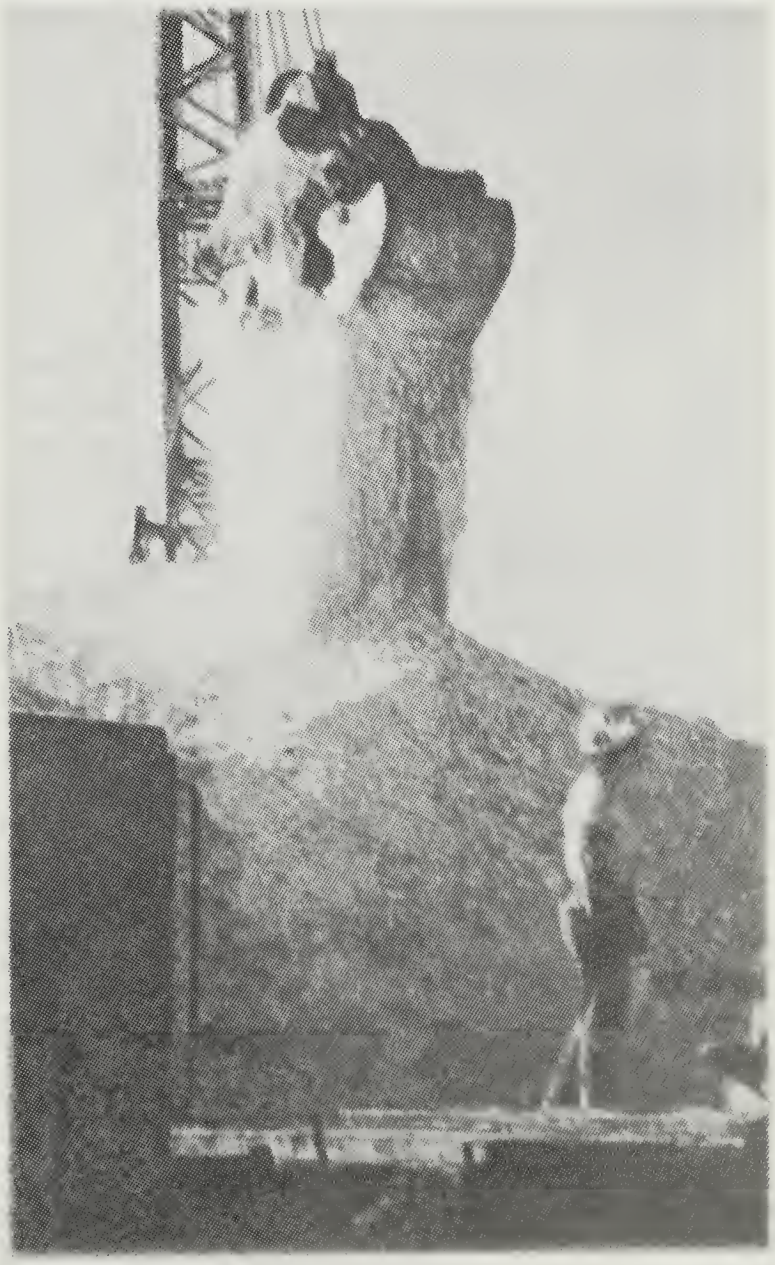
Sulphur

Mexico stands as the world's second largest producer and exporter of sulphur after the United States. Sulphur—or to be more specific, sulphuric acid—has been traditionally used in making paper, rubber and other industrial products. But what has provoked the recent rush on Mexican sulphur is that 1968 is the fifth consecutive year that world consumption of sulphur exceeded output. Despite an increase of 57 percent in U.S. sulphur production since 1963, inventories are still thin, prices high, and supplies short of demand. The key to the increased sulphur demand is its use in fertilizer production. World use of chemical fertilizers has been growing at a compound rate of 10 percent over the last few years. The fertilizer industry uses enormous quantities of sulphuric acid, mostly in the production of phosphatic fertilizers (which supply the essential plant nutrient, phosphorous). It takes, for example, 880 pounds of sulphur, in sulphuric acid, to make a ton of diammonium phosphate, a highly concentrated fertilizer.

Mexican exports of sulphur reached 2 million tons in 1964, although they have fallen off to about 1.7 million during each of the past two years. Of the total Mexican sulphur output, Pan American Sulphur Co. (PASCO) produces 75 percent and Gulf Resources & Chemical Corp. produces 20 percent (total: 95 percent). The tiny remainder is produced from Pemex sour crude (3 percent) and a small volcanic sulphur mine near San Luis Potosí (2 percent). Mexico has been exporting 85 percent of the sulphur it produces.

There is no question about U.S. domination in the sulphur production of Mexico. The real story, however, lies in the success with which U.S. sulphur companies have overcome the restraints of "Mexicanization." But first, a digression for a short recount of PASCO's improbable corporate history. As early as 1902, sulphur deposits were known to exist on Mexico's Isthmus of Tehuantepec, but they were only of interest as a frequent indicator of oil. An ex-hero of the Mexican Revolution, General Alfredo Breceda and his engineer partner researched Mexico's Geological Archives, rediscovered the Tehuantepec reserves, and in 1942 secured the first of their sulphur concessions on the Isthmus. In their quest for capital, they happened onto three wildcatter brothers named Brady, and through them worked their way into a clique of independent Texas oil millionaires which *Fortune* refers to as the Little Mothers Club. In April of 1947, Pan American Sulphur Co. was incorporated to exploit the Breceda concession. The original investment in its formation, chipped in by the Little Mothers, was $310,000. The company then discovered that sulphur lay beyond the Breceda concession but, saved by Breceda's government pull, PASCO secured adjacent rights in 1950. The Korean War put sulphur in more demand, and Pan Am decided to sell out and make a profit, but it couldn't get Freeport Sulphur or Texas Gulf Sulphur to buy. So PASCO stayed; in 1952, it secured a loan of $3,664,000 from the Export-Import Bank, and later another loan of $750,000. Sales of new stock were arranged through Wall Street investment bankers, Kuhn, Loeb & Co. in 1953 and 1955.

Probably PASCO's luckiest break was being turned down on offers to sell. Only in the salt-dome wells peculiar to the Western Hemisphere's Gulf Coast can sulphur be mined by the very cheap Frasch process (in which super-heated water is pumped into the deposits, melting them, and the sulphur is forced to the surface by compressed air). PASCO's sulphur field on the Isthmus has many advantages; it is close to the surface, with sloping walls which enable water to escape; a river flows through the concession for necessary water and there is a Pemex refinery nearby to supply fuel oil, an old railway, and a port 26 miles away. PASCO has two loading docks which can handle 24,000 tons daily.



Sulphur industry booms in southeast.

PASCO successfully instigated a sulphur price war, and its annual profits by 1958 were $3.5 million. Shortly after that, however, sulphur prices dropped; there was a glut on the market. Texas Gulf Sulphur had acquired a small concession in Mexico and suspended operations in early 1960. But the picture changed drastically once more in the early 1960's. Prices started and continued to climb. The U.S. fertilizer industry consumes 73 percent more sulphur now than in 1963; industrial use of sulphur increased 11 percent in the same period. " 'The price has no relation to production costs,' admits the Marketing vice president of a major producer. 'This is simply the law of supply and demand.' " ("The Great Sulphur Rush," *Fortune*, March 1968).

But on April 27, 1965, the Mexican government, specifically Campos Salas (Minister of Commerce and Industry), slapped restrictions on U.S. sulphur companies. The government claimed its supplies were being depleted. Mexico in 1964 consumed 185,229 tons of sulphur, and notwithstanding their immense sulphur reserves, were forced to buy 121,947 tons at world market prices from foreign producers. The new export permits limited sulphur exports to 10 percent of a company's discoveries in one year. In other words, PASCO was going to have to discover close to 10 million tons of new reserves in order to equal its export quota for the year before. Furthermore, the Mexican government explained, there was to be no carry-over; if PASCO failed to discover any new reserves in 1966, it would have no export quota. The Mexican government claimed that there were only about 24 million tons of known reserves left. PASCO's stock plunged so drastically the same day, that the Stock Exchange had to stop trading on the PASCO shares. But by January of 1967, the quota had nearly doubled its before-restrictions mark. What happened in the meantime was that PASCO took on a joint venture with Mexican partners.

There was an intermediary step. In June 1965, an apparent split had developed in the Mexican cabinet. The new quotas were clarified as permitting PASCO to export 1.5 million tons, only down 24,000 from 1964. In November of 1965, PASCO and *Banco Nacional*, Mexico's second largest bank, announced plans for a joint fertilizer venture at Coatzacoalcos, Veracruz. The project was suggested by none other than President Díaz Ordaz (*The*

A SOUTHWEST NEXUS

A personal note should be injected into the impersonality of corporate penetration. Houston-based Pan American Sulphur (PASCO), which produces 75 percent of Mexico's sulphur, and Houston-based Anderson, Clayton (ACCO), which has a virtual monopoly over Mexican cotton production (representing one-fifth of all of Mexico's export goods) have more in common than the location of their home offices and their interests in Mexican exploitation. Both of them, for example, are represented by the same Houston law firm: Fulbright, Crooker, Freeman, Bates & Jaworski. Further examination shows that both corporations thought highly enough of lawyer Leon Jaworski to include him on their board of directors.

Jaworski is an interesting study all to himself. He is a trustee of one of the spin-off foundations from Anderson, Clayton Co., M.D. Anderson Foundation, in Houston. Anderson was ACCO-founder William L. Clayton's brother-in-law. The foundation, in turn, owns stock in Anderson, Clayton. Two of the foundation's officers also are principal partners in the Jaworski law firm. But more interesting is the fact that the foundation gave money to the International Commission of Jurists, acting as a conduit for the CIA. Jaworski also had good enough credentials to have been picked by the Texas Attorney General as Special Counsel to the Texas Court of Inquiry investigating the assasination of President Kennedy.

Both of the firms also had founders who were involved in the FDR administration during the war. For example, among the "Little Mothers" who put up the capital for PASCO (see article on sulphur), is Jubal Parten. During the war he served as a director of the Petroleum Administration for War and was a member of the Petroleum Industry War Council; after the war, he served as a special consultant to the Secretary of the Interior for the organization of the Petroleum Industry for Defense. But, he is far outshadowed by his counterpart in Anderson, Clayton; William L. Clayton, now deceased, a co-founder of the firm in 1904, joined the Office of the Coordinator of Latin American Affairs under Nelson A. Rockefeller in 1940. He later became a deputy to Jesse Jones, then Federal Loan Administrator. He was named Assistant Secretary of Commerce in charge of the Reconstruction Finance Corporation's foreign activities and, as such, he headed several of its wartime subsidiaries, and became vice-president of the Export-Import Bank. Early in 1944, he resigned his Commerce post to become War Surplus Administrator, handling disposal of government plants and surplus material after the war. He also was appointed by Franklin Roosevelt as Assistant Secretary of State for Economic Affairs in December in 1944 to keep the diplomatic and economic fields coordinated within the State Department. Later he was elevated to the post of Under Secretary of State for Economic Affairs. He carried on and developed the reciprocal trade policies inaugurated by Cordell Hull. His observations in Europe as the U.S. representative at the Geneva Trade Conference in 1945-46 produced the memorandum to Secretary of State George C. Marshall that was one of the principal bases of the Marshall Plan.

Clayton's economic and diplomatic pull was useful to the operations of Anderson, Clayton, and apparently his experience with the U.S. cotton monopoly was useful to the government. "As a cotton merchant, Mr. Clayton traveled in many countries and acquired early the international viewpoint that made him one of the chief architects of the postwar foreign policy of the United States." (from his obituary in the *New York Times*, February 10, 1966).

New York Times, November 22, 1966). It was to be a $59 million plant, *Fertilizantes Fosfatados Mexicanos* (FFM). Fifty-one percent of the financing was to come from *Banco Nacional*, 35 percent from PASCO and 7 percent each from Kuhn, Loeb and Loeb, Rhodes. Mr. J.R. Zerbst, a vice president of Union Carbide, was made president of FFM, and the Export-Import Bank came through again with a promised loan equal to the value of equipment to be imported from the United States and estimated at $30 million. PASCO was contracted for 400,000 tons of sulphur a year, with an option for an additional 240,000 tons annually.

In June of 1967, with the joint venture under its belt, PASCO "Mexicanized." It sold 66 percent of its interest to a group of Mexican capitalists. In a *Wall Street Journal* article entitled "Mexico's Pan American Sulphur Control Bid Likely to Pain Holders Less Than Expected," December 15, 1967, it was explained how the deal worked to PASCO's advantage. "Reliable estimates of the purchase price have climbed to more than $66 million from the $63 million predicted when the Mexican proposal was first announced in early October. In addition, higher export quotas, higher sulphur prices and lower taxes that would result from the 'Mexicanization' might triple profits ... " Also, "The Pan American subsidiary would probably be exempted from Mexico's distributable profits tax ... the 20 percent royalty tax which now works out to be about $5.86 on each ton of sulphur mined by *Panamericana*, would be reduced to 12 percent, resulting in a saving of $3 million a year based on the 1.5 million tons the company expects to export in 1967." In January of 1967, it was reported by *The New York Times* that PASCO's export quota had nearly doubled. The quota of 375,000 tons in the first quarter of 1967 was nearly twice the 200,000 tons in the first quarter of 1966.

And so now the sulphur rush is on even more. " 'It's a millionaire's Klondike,' said Vic Agather, executive vice president of *Azufrera Intercontinental* (in which Ashland Oil and International Minerals & Chemical Corp. have interest) ... " (*The New York Times*, February 4, 1968). Now International Minerals & Chemical Co., Cities Service, Continental Oil and Hooker Chemical have part-interests in Mexican companies which are seeking sulphur concessions. Even Texas Gulf, which had suspended its operations in 1960 in Mexico, has a "Mexicanized" company and is seeking an export license.

Manufacturing

(ASSEMBLING)

In another *Wall Street Journal* special, entitled "Border Action—U.S. Firms Open Plants Across Mexican Line to Save on Labor Costs" (May 25, 1967), the manufacturing rush on Mexico is explained. "American manufacturers are eagerly joining a new kind of *bracero* program that uses cheap Mexican labor to assemble U.S. products for the American market." The impoverished peasant class, which is being driven off its plots of land and into the cities in search of income, is being utilized by scores of U.S. corporations to assemble products for export. And the Mexican government, faced with an unemployment problem which they apparently don't plan to solve by manufacturing Mexican goods for Mexicans, are happy to oblige. The Mexican secretary of Industry and Commerce says, "Our idea is to offer an alternative to Hong Kong, Japan and Puerto Rico for free enterprise." A special exemption from all import duties is provided for these corporations by the Mexican government, provided they pay as little as $2 a day to Mexican workers. U.S. duty is paid only on value-added—meaning whatever value was added to the U.S. products by cheap Mexican labor.

Transitron Electronic Corp. of Wakefield, Mass., is setting up a $1.5 million air-conditioned plant which will hire 1,500 Mexicans to assemble U.S. electronic parts into more complex components for shipment back to the U.S. Litton Industries, renowned for its profit-making from Greek fascism, started up a Mexican plant to make magnetic memory cores for U.S. computers. Litton is also assembling transformers and automatic voltage regulators. U.S. food processing companies, like H.J. Heinz Co. and DiGiorgio Corp., which were hard hit by the ending of the bracero program in 1965 and with it their supplies of cheap labor, are branching out their Mexican food processing operations aimed at the U.S. consumer market. Fairchild Camera, which operates in Tijuana, started assembling electronic components, and the electronics divisions of both Hughes Aircraft Co. and Lockheed Aircraft have Mexican electronic plants. Kayser-Roth's Catalina division has a Mexican textile plant for production of U.S. clothing goods. Even the U.S. automobile manufacturers are looking into mass production of cars in Mexico for the U.S. market. They have problems, however, with the United Auto Workers who object to using cheap labor in Mexico;

This new tractor, the first "Made in Mexico," symbolizes the advance of the promise of abundance from the soil of Mexico.

JOHN DEERE

The world's largest manufacturer of tractors and agricultural equipment

automobile workers in Mexico make as much in a day as their Detroit counterparts make in an hour.

The use of Mexico as an assembling area for U.S. goods—and in a larger sense, the whole influx of U.S. investment in Mexico—represents the success U.S. corporations have had in extending the border of the United States to include Mexico. The Mexicans are left with the unsolved political dilemmas of unemployment, unproductive agriculture and depleted raw materials; the U.S. corporations reap the advantages of cheap labor and profits.

Excerpts from A.D. Little Report

Current Trends in Mexican Industrial Development

Arthur D. Little, Inc.

. . . Perhaps the best way to describe the semi-manufactured system is to use the data from a report which we recently submitted to the Tijuana Bankers Association on opportunities for serving Western U.S. markets from Mexico. As shown in Figure 1, Tijuana

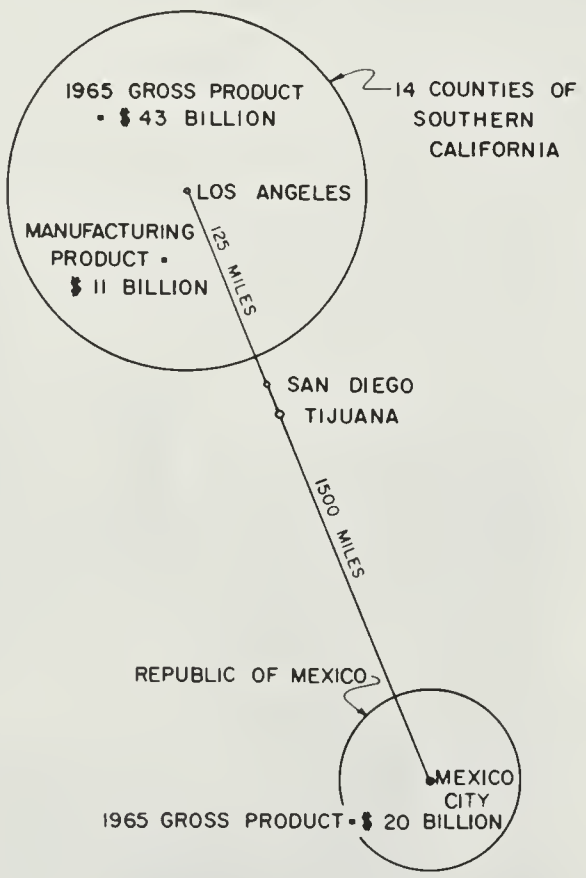


Figure 1 Description of Semi-Manufacture System

is three hours by truck from the economic center of Southern California, the City of Los Angeles. In 1965, Southern California had a gross product double that of the Republic of Mexico and a manufacturing product which totaled about $11 billion. There is a substantial opportunity for Tijuana and the nearby towns of Tecate and Ensenada to utilize their economically active population, numbering some 120,000 workers, to carry out labor-intensive operations for the Southern California manufacturing complex. Some examples of semi-manufactured opportunities include: (1) cut and sew operations in garments manufactured for the Los Angeles fashion industry; (2) assembly of electronic components into subassemblies; (3) intermediate processing of aircraft parts; (4) custom yacht interiors; (5) wrought iron shapes for garden furniture and gates, and (6) preparation of data for data processing.

In general, U.S. tariffs on partly finished goods are considerably lower than those on finished goods. In our opinion, development of this type of semi-manufacturing needs only Mexican and American initiative and a concept on which to build.

One of the most practical concepts is a simple one called the twin-plant concept. Two plants, one in Mexico and the other in the United States operate under a single management. The Mexican plant is used for labor intensive operations and the U.S. plant for highly technological, capital intensive, or finishing operations. The proximity of Tijuana to San Diego, California, suggests that San Diego be the focal point for the development of new twin-plant operations. However, any existing plant in the 14 counties of Southern California could operate effectively with a twin in Tijuana. This concept has been successfully utilized for the last two years in El Paso, Texas, with twin plants in Ciudad Juarez, Chihuahua, and could just as effectively be used for plants along the rest of Texas, New Mexico, and Arizona borders.

The large pool of unskilled labor in Tijuana costs 60–75 cents per hour actually worked, including all fringe benefits. Corresponding wages in Los Angeles, including all fringe benefits are about $2.25–$2.40 per hour, or $65 per week higher.

The 1965 manufacturing payroll in Southern California is estimated at about $7 billion. The potential for production of semi-manufactured goods in the Tijuana area is conservatively estimated at $100–$200 million per year, and if the entire Mexican-U.S. frontier is included, the potential becomes two or three times this amount.

A joint venture along the Mexican frontier offers the American manufacturer closer communication and operational control than with more distant foreign plants. A twin plant will not only improve his manufacturing cost position, but will also give him an opportunity to participate in the profits of the venture in Mexico. We believe that the profit potential is sufficient to attract an increasing number of American and Mexican firms.

U.S. AMBASSADORS TO MEXICO

WILLIAM O'DWYER (1950-53): O'Dwyer was a former Mayor of New York City who resigned in 1950 amid charges of illegal financial backing for his 1949 campaign and accepted a timely Truman appointment to be U.S. ambassador to Mexico. His nomination was opposed by Senator Estes Kefauver who later called him to testify before his crime investigation committee. In a separate investigation he was questioned by Internal Revenue Service agents about his irregular tax returns for 1949 and 1950. A close friend of Mexican President Miguel Alemán (1946-1952), he opened several business ventures in Mexico including a law firm and working as an agent for U.S. film companies and as legal counsel to the *Compañía Mexicana de Construcciones Maritimas*. He was a brother of 1968 New York Reform Democratic candidate for the Senate, Paul O'Dwyer.

FRANCIS WHITE (1953-57): White was a career diplomat in the U.S. Foreign Service whose biography we have not found in the standard sources.

ROBERT C. HILL (1957-61): Hill is a former assistant vice president of W.R. Grace & Co. who left his position to become U.S. Ambassador to Costa Rica (1953-54). He was next appointed Ambassador to El Salvador where, among other tasks, he was a member of the U.S. team which assisted in overthrowing the Arbenz government in next-door Guatemala in 1954 (see Wise and Ross, *The Invisible Government*, Random House 1964, pp. 179-180). He then held several executive positions in the State Department and was again appointed Ambassador, this time to Mexico, in 1957. Although he left this post in 1961 he returned for two other official visits, serving as Special Ambassador to President López Mateos' inauguration (1958) and to Mexico's 150th Anniversary of Independence Ceremonies (1960). Since 1965 he has been Chairman of the Republican National Committee's Foreign Policy Task Force. He is also a trustee of the American Institute for Free Labor Development (AIFLD), the principal organization implementing U.S. labor policy at the trade union level in Latin America.

Among his various corporate directorships he currently lists the United Fruit Company (since 1960), whose Guatemalan plantation interests he helped preserve in 1954. The company also has extensive operations in Costa Rica where he assumed his first ambassadorial post. Hill is a director of the Canadian International Power Company Ltd., a holding company with subsidiaries that supply electricity in Venezuela, Bolivia, El Salvador and Barbados. He is also on the board of the Monterey Railway, Light & Power Company which sold all its electric and gas systems' assets to the Mexican Government in 1962 for nearly $12 million (final payment due 1977). Now an investment company controlled by Canadian International Power, Monterey Rwy., L. & P. owns 50 percent of *Plásticos y Torquelados "Hurtado" S.A.* located near Mexico City and, until 1965, operated a subsidiary, *Compañía Territorial Mexicana, S.A.*

Hill is also a director of Merck & Co., Inc. (which has a plant in Mexico) and Northeast Airlines. It is rather remarkable that all the countries Ambassador Hill served in as a member of the U.S. Diplomatic Corps are also bases of operation for the corporations he helps direct.

THOMAS MANN (1961-63): A lawyer from Laredo, Texas, Mann joined the Foreign Service in 1942 and spent most of his 24 years of service in Latin American posts. He was twice Assistant Secretary of State for Economic Affairs–under Eisenhower and Johnson–and twice Assistant Secretary of State for Inter-American Affairs–under Kennedy, who later, in 1961, appointed him Ambassador to Mexico, and under Johnson (he was Johnson's first major appointment as President).

Mann is credited with "being the main architect of United States intervention in the Dominican Republic" (*New York Times* April 29, 1966), with having played a key role in the 1964 overthrow of the leftist Goulart administration in Brazil, and with having "worked closely with the CIA in the Guatemalan coup (1954) and the Bay of Pigs Invasion" (A. Campbell, "The Mann to Watch" *New Republic* June 5, 1965).

Mann is regarded as one of the principal architects of the "hard line" policy in Latin America. "Associates say Mr. Mann holds traditional economic views that have made him a favorite State Department contact for American businessmen." (*New York Times* January 1, 1966). After resigning in 1966 as Assistant Secretary of State for Economic Affairs and as U.S. Coordinator of the Alliance for Progress, Mann spent one year as visiting scholar at Johns Hopkins' School of Advanced International Studies and is currently President of the Automobile Manufacturers Association.

FULTON FREEMAN (1964 to present): A career diplomat, Freeman joined the Foreign Service in 1939 and spent most of his early career in China, reaching the position of Assistant Chief of the Division of China Affairs in 1948. After four years in Rome as First Secretary he became Director of Politico-Military Affairs at the Supreme Allied Command, Atlantic Headquarters in Norfolk, Virginia (1955-57). He then served as Ambassador to Colombia (1961-64) and took charge of the embassy in Mexico in 1964.

LIST OF U.S. CORPORATIONS IN MEXICO

INTRODUCTION

A list of U.S. corporations with operations in foreign countries must be compiled from several sources, and is therefore never complete or up-to-date. The most complete list for Mexico is published by the Bureau of International Commerce, U.S. Department of Commerce, *American Firms, Subsidiaries and Affiliates–Mexico* (Washington D.C., 1967; available from regional or national offices of the U.S. Commerce Department for $1.00). Unfortunately this list fails to divulge the value of each investment, though it does provide a very brief description of their operations. Without knowledge of the dollar investment value, it is difficult to evaluate the relative importance of the firms' operations. The Bureau of Educational Affairs, U.S. Department of State, in its publication entitled *Resources Survey of Latin American Countries,* (Government Printing Office, 1965, $3.50), gives a 1963 list of U.S. corporations in Mexico with a good description of their operations. While investment value is again missing, this publication indicates the number of workers employed for most operations.

Other sources are less organized. The weekly newsletter of the National Foreign Trade Council, *Noticias,* contains a great deal of information on U.S. firms in Latin America (organized by country and commodities). *Funk and Scott's International* is the best index for locating articles and special reports on U.S. corporations in specific countries.

The following list of U.S. firms includes the city where they have their main headquarters, a brief description of their Mexican operations and other small items of specific information. Most of these firms have plants throughout the United States (a list by geographical location can be found in *Fortune's 1966 Plant and Product Directory*) and many perform defense work. They all warrant more research on the local level.

ABBOT LABORATORIES (N. Chicago, Ill.) pharmaceuticals.

ADMIRAL CORP. (Chicago, Ill.) TV sets, radios and phonographs; 100% owned.

ALLIED CHEMICAL CORP. (New York, N.Y.) soda ash, industrial salt, carbon tetrachloride, hydrofluric acid, refrigerants, aerosol propellants, plastic products and other chemicals.

ALUMINUM CO. OF AMERICA (ALCOA) (Pittsburgh, Pa.) aluminum storefronts, windows, entrances sliding doors, square and round ingots and other aluminum products; 35% interest in Aluminio, S.A. de C.V. (51% owned by Mexican, Bruno Pagliai) which plans $16 million expansion program to build largest aluminum company in Latin America.

AMERICAN AIRLINES, INC. (New York, N.Y.) airline operator.

AMERICAN CAN CO. (New York, N.Y.) containers.

AMERICAN CYANAMID CO. (Wayne, N.J.) pharmaceutical and veterinary products.

AMERICAN & FOREIGN POWER CO. (New York, N.Y.) aluminum sheets, rolls, discs, aluminum foil and paper, and aluminum products for architectural and industrial use; operates investment company.

AMERICAN HOME PRODUCTS CORP. (New York, N.Y.) household cleaning compounds, medicinal preparations, insecticides, etc.

AMERICAN HOPE PRODUCTS (New York, N.Y.) synthetic hormones and steroids.

AMERICAN HOSPITAL SUPPLY CORP. (Evanston, Ill.) importer and distributor of hospital and laboratory equipment and supplies; manufacturer of serums and reagents.

AMERICAN METAL CLIMAX, INC. (New York, N.Y.) aluminum sheets, rolls, discs, aluminum foil and paper, and aluminum products for architectural and industrial use.

AMERICAN MOTORS CORP. (Detroit, Michigan) assembler of automobiles and trucks.

AMERICAN SMELTING & REFINING CO. (New York, N.Y.) coal, silver, lead mining and smelting operations; in 1965 sold 51% interest in Asarco Mexicana to group of Mexican financiers headed by Bruno Pagliai for over $30 million in order to receive tax reduction.

ANACONDA CO. (New York, N.Y) copper, aluminum and brass wire and cable; cranes, heat converters and agricultural plows; operates copper mine.

ANDERSON CLAYTON & CO. (Houston, Texas) cotton seed oil and meal; animal feeds and veterinary products; hard candies, caramels and chocolates; importer of insecticide concentrates; exporter of cotton products.

ASHLAND OIL & REFINING CO. (Ashland, Kentucky) 17% interest in sulphur venture–Azufrera Intercontinental–along with International Minerals & Chemical Corp.; 66% owned by company led by Bruno Pagliai.

AVON PRODUCTS, INC. (New York, N.Y.) cosmetics.

BEATRIC FOODS CO. (Chicago, Ill) milk derivatives.

BECHTEL CORP. (San Francisco, Cal.) engineering and construction.

BETHLEHEM STEEL CORP . (Bethlehem, Pa.) exploitation of manganese mines.

BORDEN CO. (New York, N.Y.) ice cream under brand name Holanda; Borden Chemical Co. produces plastic materials, synthetic resins and industrial adhesives, chemical products.

BRANIFF INTERNATIONAL AIRWAYS (Dallas, Texas) operates airline; board chairman, Troy V. Post, heads development syndicate to build $19 million Plaza International Hotel.

BRISTOL-MYERS CO. (New York, N.Y.) pharmaceuticals, cosmetics and other chemical products.

BURLINGTON INDUSTRIES INC. (Greensboro, N.C.) textiles.

BURROUGHS CORP. (Detroit, Mich.) producer and importer of office machines and equipment; completing $10 million factory in Guadalajara to assemble office machines and computer parts.

CAMPBELL SOUP CO. (Camden, N.Y.) food products.

CANADA DRY CORP. (New York, N.Y.) citrus fruit juices, concentrated flavors and extracts.

CARBORUNDUM CO. (Niagra Falls, N.Y.) grinding wheels and abrasives.

CARNATION CO. (Los Angeles, Cal.) milk products under brand name Clavel.

CELANESE CORP. (New York, N.Y.) synthetic fibers including nylon; cellophane, cellulose, sodium sulfate, captrolactum, etc.; ranks in top ten of Mexican firms; sales in 1966 of over $60 million.

CHRYSLER CORP. (Detroit, Mich.) assembler of automotive vehicles.

CITIES SERVICE CO. (New York, N.Y.) owns interest in Mexican company seeking sulphur concession.

CLEVELAND TWIST DRILL CO. (Cleveland, Ohio) twist drills; $24 million capital expansion program.

COCA COLA CORP. (New York, N.Y.) producer of cola extract, bottlers, producers of Minute Maid frozen orange juice.

COLGATE-PALMOLIVE CO. (New York, N.Y.) tooth paste, bar toilet soap, powdered detergents, etc.; conducted survey on tooth paste users to determine rise in middle class.

CONTAINER CORP. OF AMERICA (Chicago, Ill.) semi-kraft paper, corrugated paper and cardboard.

CONTINENTAL OIL CO. (New York, N.Y.) oil well drilling; owns interest in Mexican company seeking sulphur concession.

CORN PRODUCTS CO. (New York, N.Y.) industrial starches, glucoses and dextrines and sundry preparations for consumer's goods; $3 million expansion plan for corn milling plant in Guadalajara.

CUMMINS ENGINE CO. (Columbus, Ind.) has contract with Diesel Nacional, S.A. for production of diesel engines for use in trucks; has captured 25% of Mexico's medium-duty truck market.

DEL MONTE CORP. (San Francisco, Cal.) subsidiary California Packing Corp. packaged food products.

DOW CHEMICAL CO. (Midland, Mich.) manufactures industrial chemicals, pharmaceuticals and plastic products; imports chemical products.

JOHN DEERE & CO. (Moline, Ill.) importer and manufacturer of agricultural machinery.

E. I. DUPONT DE NEMOURS & CO. (Wilmington, Del.) explosives, cartridges for guns and rifles; paints, varnishes, laquers, insecticides, etc.; freon gas and carbon tetrachloride; tetraethyl lead, pigments and dacron.

EASTERN AIR LINES, INC. (New York, N.Y.) operates airline; board includes Agustin Legorreta, head of National Bank of Mexico.

EASTMAN KODAK CO. (Rochester, N.Y.) importer and distributor of photographic equipment and supplies; building $30 million plant in Guadalajara for production of industrial film.

MAX FACTOR & CO. (Hollywood, Cal.) cosmetics.

FIRESTONE TIRE & RUBBER CO. (Akron, Ohio) tires, tubes, camelback and tire recapping materials.

FIRST NATIONAL CITY BANK OF NEW YORK (New York, N.Y.) general banking interest; only U.S. bank with Mexican branch.

FORD MOTOR CO. (Dearborn, Mich.) automotive vehicles; Philco radios, TV sets, phonographs, washing machines, household appliances, etc.; 100% owned; ten year agreement with Siderurgica Nacional, S.A. to produce Ford tractors which will be distributed by Ford dealers; made loan of $5 million to commence project.

FOREMOST-McKESSON, INC. (San Francisco, Cal.) importer of industrial chemicals and pharmaceuticals; producer of thinner, brake fluids and special napthas.

FRUEHAUF CORP. (Detroit, Mich.) bus bodies, trailers and mechanical equipment for trucks.

GENERAL DYNAMICS CORP. (New York, N.Y.) compressed gasses.

GENERAL ELECTRIC CO. (New York, N.Y.) incandescent and fluorescent lamps, cinescones and brass parts for lamp bulbs; importer and producer of electric appliances and equipment; importer of time control equipment; 100% owned.

GENERAL FOODS CORP. (White Plains, N.Y.) food products; Birds Eye division plans operation in Celaya to freeze asparagus and broccoli for export to U.S.

GENERAL MILLS (Minneapolis, Minn.) epoxy resins.

GENERAL MOTORS (Detroit, Mich.) automotive vehicles and electric appliances; 100% owned.

GENERAL TELEPHONE & ELECTRONICS (New York, N.Y.) Sylvania picture tubes, TV sets, radios and radio parts; incandescent, fluorescent and photo flash tubes for neon advertising; fluorescent lamps, electric tubes.

GENERAL TIRE & RUBBER CO. (Akron, Ohio) tires, foam rubber and other products.

GERBER PRODUCTS CO. (Fremont, Mich.) baby foods.

GILLETTE CO. (Boston, Mass.) razor blades.

B.F. GOODRICH CO. (Akron, Ohio) tires, tubes, rubber products for industrial and domestic use, etc.; importer and distributor of outboard motors, boats and marine accessories.

GOODYEAR TIRE & RUBBER CO. (Akron, Ohio) tires and other rubber products.

W. R. GRACE & CO. (New York, N.Y.) cloth based artificial leather, linoleum, etc.; can sealing compounds and gas lid gasketing compounds; distributors of detergents.

GULF RESOURCES & CHEMICAL CORP. (Houston, Texas) sulphur producer.

HALLIBURTON CO. (BROWN & ROOT) (Dallas, Texas) contracter and builder of industrial plants and office buildings; built the Celanese and Pan American Sulphur plants.

H. J. HEINZ CO. (Pittsburgh, Pa.) canned foods.

HERCULES INC. (Wilmington, Del.) texaphane; importer and distributor of chemical products.

HOLIDAY INNS (Memphis, Tenn.) extensive franchising projects for inns in 27 cities; Pratt & Co., Dallas real estate developers will build inns; investment of $15-20 million.

HOLIDAY MAGIC (Vallejo, Cal.) distributor of beauty products; firm with initial capital of $2.4 million; plans to build the largest cosmetic manufacturing plant in Latin America.

HOOKER CHEMICAL (New York, N.Y.) activated carbon and industrial phosphates; owns interest in Mexican company seeking sulphur concession.

IMPERIAL-EASTMAN CORP. (Chicago, Ill.) products for plumbing, heating, cooling and air conditioning industries; high pressure hose assemblies and coupling machinery; automotive and farm machinery.

INTERNATIONAL HARVESTER CO.. (Chicago, Ill.) importer and manufacturer of agricultural implements.

INTERNATIONAL MILLING CO. (Minneapolis, Minn.) animal feeds and poultry equipment.

INTERNATIONAL MINERALS & CHEMICAL CORP. (Stockie, Ill.) owns interest in Mexican company seeking sulphur concession.

INTERNATIONAL TELEPHONE & TELEGRAPH (New York, N.Y.) telephone subsets, plumbing and heating supplies; installation and sale of telecommunication equipment, including telephones and switchboards; Mexico's lone manufacturer of telephone units and related equipment.

JOHNS-MANVILLE CORP. (New York, N.Y.) industrial packings.

JOHNSON & JOHNSON, INC. (New Brunswick, N.J.) Pharmaceutical and baby products.

KAISER CEMENT & GYPSUM CORP. (Oakland, Cal.) steel, gypsum and automotive products (Willy's jeep); will begin construction on 25 million peso plant at Puebla for manufacturing gypsum wallboard, lath and plaster products.

KELLOGG CO. (Battle Creek, Mich.) food products.

KIMBERLY-CLARK CORP. (Neeah, Wisc.) paper products.

LEVER BROTHERS CO. (New York, N.Y.) soaps, detergents, shortening, canned foods.

ELI LILLY & CO. (Indianapolis, Ind.) pharmaceuticals, biologicals, antibiotics, etc.

LITTON INDUSTRIES, INC. (Beverly Hills, Cal.) transformers and automatic voltage regulators.

LOCKHEED AIRCRAFT CORP. (Burbank, Cal.) airplane factory.

MANHATTAN SHIRT CO. (New York, N.Y.) shirts.

MEAD JOHNSON & CO. (Evansville, Ind.) nutritional and pharmaceutical products.

MERCK & CO., INC. (Rahway, N.J.) manufacturer and distributor of biological and pharmaceutical products.

MINNESOTA MINING & MANUFACTURING CO. (St. Paul, Minn.) producer and distributor of adhesives, coatings, tapes, duplicating equipment.

MONSANTO CO. (St. Louis, Mo.) chemicals, primary and intermediate plastic materials; 100% owned.

MORRISON-KNUDSEN CO. (Boise, Idaho) engineering and construction firm.

MOTOROLA CORP. (Franklin Park, Ill.) importer and distributor of radio communications equipment and parts, transmission lines, antennas, etc.; initial investment of 90 million pesos for plant that will produce electronic parts for export purposes.

NATIONAL BISCUIT CO. (New York, N.Y.) cookies and crackers; controls most important firm in field of flour, crackers, bread and cakes.

NATIONAL CASH REGISTER CO. (Dayton, Ohio) importer and distributor of office machines; will open 25 million peso plant in Puebla with eye on exports.

NATIONAL DAIRY PRODUCTS CO. (New York, N.Y.) food products; dominates cereal field.

NATIONAL STARCH & CHEMICAL CORP. (New York, N.Y.) synthetic resins, adhesive products and starches.

OWENS-ILLINOIS, INC. (Toledo, Ohio) bought 50% interest in three Mexican firms that manufacture glass tubing, vials and ampules for the drug and pharmaceutical industry.

PAN AMERICAN AIRWAYS (New York, N.Y.) as of June 30, 1966 held 35% interest in Mexico's largest airline, Compania Mexicana de Aviacion; operates Intercontinental Hotel Corp. chain.

PAN AMERICAN SULPHUR CO. (Houston, Texas) sulphur producer; owns 36% of Mexico's largest fertilizer plant, Fertilizantes Fosfatados Mexicanos; most of the production will be exported.

PARKE DAVIS & CO. (Detroit, Mich.) producer and distributor of pharmaceutical and surgical products.

PAULEY PETROLEUM, INC. (Santa Monica, Cal.) oil and gas well drilling; several contracts with Pemex; half of company's interests to Continental Oil for $15,500,000.

PEPSICO, INC. (Long Island, N.Y.) cola extract for bottling.

PET, INC. (St. Louis, Mo.) processer and exporter of frozen strawberries.

PHELPS DODGE CORP. (New York, N.Y.) electric conduits.

PROCTER & GAMBLE CO. (Cincinnati, Ohio) soaps, detergents, etc.

PULLMAN INC. (Chicago, Ill.) Swindell-Dressler Co., a division of company received $42 million to build a basic steelmaking facility at Puebla; also will operate a continuous casting company.

PUREX CORP. (Lakewood, Cal.) cleaning powder, detergents, drain cleaners, bleaches and soap.

QUAKER OATS CO. (Chicago, Ill.) food products.

RADIO CORP. OF AMERICA (New York, N.Y.) radios, TV and household appliances.

RALSTON PURINA CO. (St. Louis, Mo.) animal feeds.

REVLON, INC. (New York, N.Y.) producer and importer of toilet preparations.

REYNOLDS METALS CO. (Richmond, Va.) aluminum and fluorspar.

RHOM & HAAS (Philadelphia, Pa.) synthetic resins.

RICHARDSON-MERRILL, INC. (New York, N.Y.) pharmaceutical products.

SCHERING CORP. (Bloomfield, N.J.) pharmaceuticals and synthetic hormones.

SEARS, ROEBUCK & CO. (Chicago, Ill.) 21 retail department stores owned by Sears; talent development program, including training in U.S.

SINGER CO. (New York, N.Y.) sewing machines.

SMITH KLINE & FRENCH LABORATORIES (Philadelphia, Pa.) synthetic hormones and pharmaceuticals.

SPERRY-RAND CORP. (New York, N.Y.) office equipment and supplies, hydraulic pumps and motors, control valves, cylinders, oil filters and hydraulic accessories.

E. R. SQUIBB & SONS (New York, N.Y.) pharmaceuticals and medicine products.

STANDARD BRANDS INC. (New York, N.Y.) food products, peanuts.

STANLEY-WARNER CORP. (New York, N.Y.) subsidiary Int'l Latex Corp., foundation garments.

STAUFFER CHEMICAL CO. (New York, N.Y.) hydrofluoric acid, sulfuric acid, ammonium sulfate, carbon bisulfide, aluminum sulfate and xanthates; production of insecticides and agricultural chemicals.

SUN CHEMICAL CORP. (New York, N.Y.) two Mexican subsidiaries opened dye plant.

TEXAS GULF SULPHUR CO. (New York, N.Y.) sulphur, phosphate, potash and metals.

THOMPSON RAMS WOOLRIDGE (TRW) (Cleveland, Ohio) motor and chassis parts for automobiles.

TRANSITRON ELECTRONIC CORP. (Wakefield, Mass.) built electronic plant with 1500 Mexican employees in San Antonio, Mexico to assemble U.S.-made electronic parts into more complex components.

UNION CARBIDE CORP. (New York, N.Y.) batteries, plastic raw materials and electrodes; liquid fertilizers and chemical products.

UNIROYAL, INC. (New York, N.Y.) rubber products.

UNITED FRUIT CO. (Boston, Mass.) through Clemente Jacques produces wide variety of prestige foods and exports large quantities to Southern U.S.

UPJOHN CO. (Kalamazoo, Michigan) medicinal and pharmaceutical products, cosmetics and perfumes.

VAN HEUSEN CO. (New York, N.Y.) men's shirt wear.

WARNER-LAMBERT PHARMACEUTICAL CO. (Morris Plains, N.J.) chewing gum, cosmetics, chocolate; legal counsel: Nixon, Mudge, Rose, Guthrie and Alexander; co.'s president Bobst is close friend and economic advisor to Nixon.

WESTINGHOUSE ELECTRIC CORP. (Pittsburgh, Pa.) electric appliances.

F. W. WOOLWORTH CO. (New York, N.Y.) variety store chain.

WILLIAM WRIGLEY JR. CO. (Chicago, Ill.) chewing gum.

The Mexican Jumping Beam

or, How RCA Microwave broke an Olympic Record.

Last week, the Olympic games made a bounding, electronic broad jump from Mexico City to the Texas border on an 813 mile RCA microwave link.

The beam vaulted a few mountains and leaped a few rivers to get to your TV set. Yet the color picture was fantastically clear and sharp. Like it came from down the street.

You saw the actual event just a few thousandths of a second after it happened. Something of a record for the summer Olympics.

But this was only the show biz side of microwave. Right now more than half of all long distance phone calls are made over microwave beams.

Computers talk with each other by microwave.

An engineer uses it to energize a pumping station a hundred miles away.

A microwave system has an enormous capacity to communicate. It can handle as many as 1800 phone calls all at once. It can transmit printed messages, the spoken word, and a TV picture, all at the same time.

Over the past 8 years, RCA set up over 30,000 miles of microwave communication systems in 13 countries.

Besides our Mexican jumping beam, there's a Canadian jumping beam. A Brazilian jumping beam. A Liberian jumping beam. An Iranian jumping beam. A Turkish jumping beam. A Pakistanian jumping beam. And a Colombian jumping beam.

Microwave is one part of RCA. We're also in computers. Airborne radar. Color TV. Weather satellites. Lasers. At last count, we had over 12,000 products. If there's anything you'd like to know about RCA, jump to it. Address:
RCA, 30 Rockefeller Plaza,
New York, N.Y. 10020.

RCA

Activities of U.S. Universities and Non-Profit Corporations in Mexico

INTRODUCTION

Mexico has a long history of being on the receiving end of an unusually large number of U.S. social and economic projects run by universities and non-profit organizations. Between 1965 and 1967 alone, a total of 218 U.S. institutions were involved in Mexican higher education—153 universities and colleges, 51 foundations and other private non-profit organizations and 14 U.S. government agencies. These institutions were responsible for at least 436 separate projects.

In evaluating the Mexican social, economic and cultural programs, many of which serve as models for future Third World activity, one must analyze their effects over and above their rhetorical intentions. Historically, societies in expansion—the U.S. being no exception—have justified their actions in the name of progress. A realistic evaluation, however, must be particularly sensitive to the actual effects such programs have on a country's priorities and allocation of resources. If they reorient priorities to the needs of the sponsor country, then their effect is imperialistic, and they foster uneven development, perpetuate gross inequities and pave the way for exploitation.

In addition, because the intentions of such programs are taken at face value, they are easily utilized by the U.S. business and government community (including the CIA) to penetrate, reorient and subvert the political and economic process of the recipient country. By appearing apolitical and simply humanitarian these programs provide excellent cover for political, economic and military operations which serve the Cold War interests of the U.S. rather than the development needs of the recipient. Furthermore, because of the subservience of such programs to U.S. priorities, funding is subject to shifting U.S. interests. Existing projects may be ended or moved according to new priorities. Moreover, projects in Mexico are not necessarily located in areas of greatest need; "convenience, visibility, and greater certainty of success apparently [take] precedence over needs and challenges in poorer states." (C.N. Myers, *U.S. University Activity Abroad: Implications of the Mexican Case,* Education and World Affairs, an organization financed by the Ford and Carnegie Foundations.)

The high concentration of U.S. projects in Mexico is a function of that country's geographical proximity and political history. Southwestern U.S. expansion in the nineteenth century resulted in the loss of over half of Mexico's territory and consequently instilled a strong *anti–yanqui* sentiment in the national consciousness. The Revolution of 1910, along with the exploits of Pancho Villa and Emiliano Zapata, triggered U.S. military intervention and heightened anti-U.S. resentment. Investment and trade reached an all time low in 1938 when the large British-North American petroleum monopoly was nationalized. The influx of social and cultural programs after 1945 paved the way for renewed U.S. business penetration by first breaking down traditional resistance to "gringo" invaders. The Rockefeller Foundation set the tone with large technical assistance grants emphasizing professional education, scientific agriculture and U.S. exchanges. A tremendous amount of money was sunk into improving agricultural products and soil management to make Mexico "self-sufficient." Technical and engineering schools were also given top priority. (For example, Case Institute of Technology, under a Ford Foundation grant, carries on

THE BRAIN DRAIN

Scientists, engineers and physicians are crucial to the development of an industrializing society. However, the rate of migration of professionals from Latin American countries to the U.S. is growing yearly. A report by the Pan American Health Organization points out that in the field of medicine alone, it would take three academic medical centers of average size to produce the same number of physicians that migrate. The dollar value of this manpower is approximately equal to the cost of all U.S. medical assistance to Latin America. Between 1956 and 1960, 286 physicians migrated from Mexico, while from 1961-1965, 418 were admitted to the U.S., nearly 8% of all the graduates from Mexican medical schools at that time; future estimates are as high as 11%.

In 1965, 57 engineers migrated to the U.S., an estimated 6% of the engineering graduates. Between 1966 and 1968, about 20% of all graduates in engineering left Mexico.

The total migration of professional and technical workers from Mexico between 1961 and 1965 is as follows:

1961:	636
1962:	852
1963:	816
1964:	666
1965:	929

The many opportunities given to foreign nationals for study and travel in the U.S. often serve as a stimulus for permanent migration. Grants and fellowships are received in abundance by Mexican students and professionals (Rockefeller Foundation awarded $243,000 in 1967 to Mexicans for this purpose). Thus, by fostering this migration, the U.S. fills its own deficiencies in professional areas, and thereby creates larger ones in Third World countries.

research on how output of trained scientists and engineers by Mexican universities can be increased.) In isolation, of course, such assistance isn't harmful, but the effect over time primarily benefits U.S. business interests. For instance, both Mexican agribusiness and high technology industries–leading growth sectors of the economy–are now dominated by U.S. firms. A crucial percentage of the scientists, engineers and doctors are hired or drained off by U.S. corporations (see Brain Drain box) and an increasing percentage of the manufactured goods are exported to the U.S. and other Latin American countries.

Myers' survey of *U.S. University Activity Abroad* in Mexico found that two private universities received the most U.S. sponsored programs (*Universidad Autónoma de Guadalajara* and the *Instituto Tecnológico y de Estudios Superiores de Monterrey*). Both institutions are modeled along U.S. educational lines and according to the study "the general atmosphere is less political than in the public institutions. It is easy for a U.S. university to relate to these institutions." What seems most significant is that both schools are located in the midst of booming industrial centers demanding highly skilled labor. Guadalajara is Mexico's second largest city and "around it a sizeable industrial buildup is going on, with U.S. companies providing the muscle...Among Guadalajara's attractions are clean air, plenty of water, a location outside the nation's main earthquake zone, and a progressive government." (*Noticias,* 1/24/68). Eastman Kodak is building a $25 million air-conditioned plant to make film for distribution in Latin America; Burroughs is completing a $10 million factory to assemble office machines and computer parts; Corn Products is spending $3 million to expand a corn milling plant; Celanese, which has a $40 million plant in nearby Octlan making cellulose and synthetic fibers, is planning a multimillion-dollar expansion for the next five years. The city is also a tourist center, with a 20-story Hilton Hotel, frequented by Californians and Texans, and a plan to build five new ones including a joint venture between Western International Hotels and Hotel Corp. of America. In Monterrey, the third largest city, 343 new companies were formed in 1967 with a total investment of nearly $80 million, up almost 100 percent from the previous year.

One reason why U.S.-Mexican projects remain primarily beneficial to business interests over and above Mexican development was uncovered by Myers' survey of university activity.

"Mexican institutions appear, therefore, to have been involved in only 32 percent of the 386 U.S. projects in Mexico... Even in the case of research projects that are individual undertakings, there is real value in some kind of an institutional relationship or affiliation to insure that Mexicans will at least be aware of the findings and the ways in which they were obtained... Even among projects that do involve Mexican institutions, U.S. interests are often decisive. A strong preference is shown for affiliation with universities in the most developed regions of Mexico and for projects located in private institutions."

In addition to providing fertile opportunities for direct investment and sources for trained personnel, increasingly warm relations with "our neighbor to the South" have brought U.S. business a rapidly growing market for its manufactured goods. Social and economic projects, funded by private and government organizations, have created the infrastructure and social overhead necessary for a portion of the population to enter a consumer society. The resulting uneven and U.S.-dependent economy greatly reduces the chances for true self-determination. The role that "good-works" projects play in U.S. domination should not be overlooked.

The following list of U.S. universities and non-profit organizations is hardly complete, but it should provide the basis for leads on the local level for some on-going research and political action.

AMERICAN UNIVERSITY INVOLVEMENT IN MEXICO

Cooperative Training Program with the Universidad Autonoma de Guadalajara (UAG): 11 American universities' jointly support a program of student and faculty exchanges designed to upgrade the curriculum of UAG. Each participating university provides consultants, research materials and training programs in a specific field of professional discipline to help improve and broaden course offerings at UAG. The program is coordinated by the University of Texas; the other participants are: U. of Arizona, U. of Colorado, Colo. State U., UCLA, U. of Dallas, U. of Denver, U. of Kansas, U. of New Mexico, Rice University, U. of Southern California. Funds for the program are provided by the Carnegie Corp., the Ford and Rockefeller Foundations, and the U.S. Dept. of State.

AMERICAN UNIVERSITY, CENTER FOR RESEARCH IN SOCIAL SYSTEMS (CRESS): CRESS is the Federal Contract Research Center responsible for social science research relevant to U.S. Army operations in the areas of counterinsurgency, psychological warfare, and military civic action. CRESS also incorporates the Cultural Information Analysis Center (CINFAC), Defense Department's center for information on counterinsurgency in underdeveloped areas. CRESS and CINFAC tasks include the preparation of materials for psychological operations, and the collection of sociological reports on the peoples of underdeveloped nations. Mexico, like all underdeveloped nations, is a subject of this activity.

UNIVERSITY OF ARIZONA: Maintains a program of faculty exchanges and consultation with the University of Sonora. Between 1964 and 1966, the University conducted a program of research in Mexico for the U.S. Army Research Office on "the desert environment," in conjunction with the Universidad de Guadalajara. Also participates in the UAG program.

UNIVERSITY OF CALIFORNIA: Holds an AID contract worth $231,134 for a "pilot program in higher education in Mexico through a faculty exchange." The contract, number AID-la-194, was initiated in 1964 and runs through 1968.

CASE INSTITUTE OF TECHNOLOGY: Holds a Ford Foundation grant to conduct research, in cooperation with the Instituto Politécnico in Mexico City, on how the education of scientists and engineers at Mexican universities can be improved and expanded. Also participates in the Wisconsin-Monterrey program in engineering.

CORNELL UNIVERSITY, Program in International Agricultural Development: Supported research by Thomas T. Poleman on "Agricultural Development in the Mexican Tropics."

FASHION INSTITUTE OF TECHNOLOGY (New York City): From 1961 to 1964 held an AID contract in conjunction with the Centro de Productividad de Industria of Mexico City to develop a program in home economics at the Escuela Corregidora Querétaro in Mexico City. The program is being continued with funds provided by Fashion Institute.

FORDHAM UNIVERSITY: Is a sponsor of the Center for Intercultural Formation at Cuernavaca, Mexico, where American students are trained in Spanish and Latin American studies.

HARVARD UNIVERSITY, Center for International Affairs: sponsored research by Raymond Vernon on economic development in Mexico, and arranged publication of the following studies by Vernon: "The Dilemma of Mexico's Development," and "Public Policy and Private Enterprise in Mexico."

ILLINOIS INSTITUTE OF TECHNOLOGY RESEARCH INSTITUTE (IITRI): conducted a "technological audit of selected Mexican industries."

IOWA STATE UNIVERSITY: Received a $10,000 contract from the U.S. Dept. of Agriculture in 1966-67 for a study of "factors associated with differences and changes in agricultural production in Mexico." The study was conducted by L. B. Fletcher and Berni Sanders.

UNIVERSITY OF NEW MEXICO: Currently holds a $99,163 contract from AID to "establish and formulate a training program for rural youth leaders in Mexico." The project, financed under contract number AID-la-462, was initiated in 1967. The University also participates in the UAG program.

PAN AMERICAN COLLEGE: is developing a program in astronomy and space sciences at the Technical Institute of Monterrey with funds provided by the National Science Foundation and General Dynamics Corp.

COLLEGE OF ST. THOMAS (St. Paul, Minn.): Is a sponsor of the Center for Intercultural Formation in Cuernavaca, Mexico, where American students are trained in Spanish and Mexican Area Studies.

SAM HOUSTON STATE COLLEGE (Huntsville, Texas): sponsors a Mexican Field School Program which enables American students to study in Mexico under Sam Houston State College faculty.

SOUTHERN METHODIST UNIVERSITY (Dallas, Texas): sponsors the International Civil Law Program in conjunction with the National University of Mexico in Mexico City which involves exchanges of research materials, as well as students and faculty.

UNIVERSITY OF TEXAS, Institute of Latin American Studies: Coordinates the Cooperative Training Program with the Universidad Autónoma de Guadalajara (see above). Maintains a research center in Mexico, the Centro de Investigaciones Sociales, A.C., for research in the behavioral sciences. Also exchanges research materials with several Mexican universities. In 1966, sponsored research by Harry K. Wright on "The Legal and Economic Environment for Foreign Investments in Mexico."

TEXAS A & M UNIVERSITY: Provides technical advice, research materials for the Agricultural College of the University of Coahuila, with financial support from the U.S. Dept. of Agriculture and the Ford Foundation. (The Ford contribution in 1966 was $65,000; in 1967, $32,000.)

TULANE UNIVERSITY, Latin American Studies Program: maintains a Middle America Research Institute which conducts research on Mexico and Central America.

UNIVERSITY OF WASHINGTON: conducted research on "The Medical Aspects of Chemical Warfare" which was designed to "advise and assist in the search for more effective toxic compounds." This effort, financed by the Army Chemical Corps, sent Washington scientists to Southern Mexico where they collected plants with psychotropic substances for laboratory investigation.

UNIVERSITY OF WISCONSIN, Land Tenure Center: sponsored research on economic development in Mexico, and published a study by William Glade and Charles Anderson on "The Political Economy of Mexico."

UNIVERSITY OF WISCONSIN: Sponsors the Wisconsin-Monterrey Program in Engineering, which arranges exchanges of engineering students and faculty between Technical Institute of Monterrey and the University of Wisconsin and Case Institute.

NON-PROFIT ORGANIZATION LIST

American Friends Service Committee (Philadelphia, Pa.) Extensive projects in community development, cooperatives, credit unions, education, family planning, health, recreation and social welfare.

American Institute for Free Labor Development (AIFLD), (Washington, D.C.) Several projects to improve the living conditions and educational level of unionized labor in Mexico. In 1963, constructed housing (named the John F. Kennedy Housing Project) for 3,000 Mexican workers. Ninety percent financed by the AID, the AIFLD also trains "democratic trade union" leaders, most of which bargain with US corporations in Mexico.

Business Council for International Understanding (New York, N.Y.) Promotes capitalism and free enterprise through its technical assistance programs and travel grants. Attempts to orient youth toward business goals.

CARE (New York, N.Y.) Engaged in community development programs to increase food production in the villages of Mexico, and provided materials for agricultural and educational improvement. From 1946 to 1965, gave $16 million to these and similar projects in Mexico.

Catholic Relief Services (New York, N.Y.) Massive community development projects and agricultural programs. Also a mass feeding program which in 1967 served 1,200,000 people. In 1964 began a canal building project to irrigate 7000 unproductive acres of land.

U.S. Church Programs The following churches and religious organizations have programs in Mexico dealing with food production, agriculture, medicine and public health, education, social welfare and community development:
Maryknoll Fathers, Dominican Fathers, the Presbyterian Church, the Protestant Church, the Episcopal Church, Seventh Day Adventist, So. Baptist Church, United Christian Missionary Society and the United Presbyterian Church in the US.

Community Development Foundations (New York, N.Y.) Largest program in Mexico for self-help projects in development and construction. Of an annual budget of $250,000, $105,000 is spent in Mexico. Until 1965, brought in almost $3 million worth of food each year to aid peasants. Affiliated with Save the Children Foundation.

CUNA International (Madison, Wisconsin) Programs of technical assistance and advice on the organization and development of credit unions. In 1967-68, contributed $25,000 for this purpose in cooperation with AID. Also gives guidance to Mexican credit unions in obtaining favorable legislation and the improvement of credit union policies. In 1965 there were 525 credit unions with 40,967 members having a total savings of $1,423,088 and loans outstanding of $1,353,106.

Ford Foundation (New York, N.Y.) Awards several large grants to universities, agricultural institutes and other research and cultural centers. Emphasis on agriculture (see Ford-Rockefeller Agricultural Program), education, science and technology. Grants and payments totaled $1,850,000 in 1967.

Ford-Rockefeller Agricultural Program Both the Ford and Rockefeller foundations award very large grants for agricultural research in Mexico. Initiated in 1943, the Cooperative Mexican Agricultural Program has received several million dollars for research on soil management and the genetic improvement of crop varieties.
Within the last twenty years, Mexico's food production has doubled, rendering them self-sufficient in terms of food production. The results of the Mexican program are introduced to other poor countries, notably India and Pakistan, thus using Mexico as a stepping-stone for further penetration into these countries.
The major element of the program is the International Maize and Wheat Improvement Center, which has its headquarters in Mexico. In 1967, this center alone received almost $1 million from the Rockefeller

USLA

Also available on the Mexican student movement is a 36-page pamphlet recently published by the U.S. Committee for Justice to Latin American Political Prisoners: "**Mexico 1968: The Students Speak Out**". The contents include articles on the history and background of political repression and the student movement, documents, cartoons, poems and photographs, and an introduction by Timothy Harding. The pamphlet is available for $1.00 from: USLA Justice Committee, P.O. Box 2303, New York, N.Y. 10001.

Foundation for various kinds of research. Grants to the whole program from both foundations exceeded $2 million in 1967.

International Executive Service Corps (New York, N.Y.) Sends leaders of private American businesses to Mexico to give training and technical assistance to prospective managers and businessmen. Provides working-capital loans, often in cooperation with AID.

International Rescue Committee (New York, N.Y.) Provides emergency assistance, counselling and medical services for Cuban refugees. In 1966 about 1000 refugees, most of whom were in transit, received assistance. The work is done in cooperation with the Foundation for Aid for Exiled Cubans, the United Nations High Commissioner for Refugees and the Central Intelligence Agency.

W.K. Kellogg Foundation (Battle Creek, Michigan) Parent manufacturer of food products in Mexico which benefits from grants to the National Institute of Nutrition (in 1963 awarded $236,466). Gives large grants to universities which give advanced training in medicine and public health.

The Rockefeller Foundation (New York, N.Y.) Awards several large grants to universities, agricultural institutes and other research and cultural centers; particular emphasis on an agricultural program initiated in 1943 (See Ford-Rockefeller Agricultural Program). Grants and payments totaled approximately $2 million in 1967.

Social Science Research Council (New York, N.Y.) Awards fellowships or grants-in-aid to enable Americans to conduct research in Mexico.

MEXICAN LOBBYISTS IN THE U.S.

Pan-American Coffee Bureau (120 Wall Street, New York, New York) represents the Mexican Government for research, resource development, publicity and public relations.

Mexican Government Railway System (500 Fifth Ave., New York, New York) represents the National Railways of Mexico and the Mexican Tourist Association in travel and trade promotion.

Murden and Co. (39 East 51st St., New York, New York) represents the Consejo de la Relaciones Públicas for public relations counsel.

Washburn, Stringer Associates, Inc. (701 Washington Building, Washington D.C.) represents the Consejo Mexicano de la Relaciones Públicas for public relations.

Benjamin Hill Jenkins, Jr. (8 Lee Street, Newman, Georgia) represents the Consejo Nacional de Turismo for tourist promotion.

Mexican National Tourist Council (2 East 55th St., New York, New York) represents the Consejo Nacional de Turismo and is the official tourist office in New York.

The Lewis Company, Ltd. (8741 Sunset Blvd., Los Angeles, California) represents the Mexican National Tourist Council and Aeronaves de Mexico in public relations.

Mexican Government Tourism Dept. (809 Walker Ave., Houston, Texas) represents the Mexican Government Tourism Dept. and is the official tourist office in Houston.

Mexican Government Tourism Dept. (210 N. Michigan Ave., Chicago, Illinois) represents the Department of Tourism of the Government of Mexico and is the official tourist office in Chicago.

Mexican Government Tourism Delegation (1905 Commerce St., Dallas, Texas) represents the Mexican Government Tourist Department and is the official tourist office in Dallas.

Mexican Government Tourism Dept. (707 Broadway, San Diego, California) represents the Departmento de Turismo del Gobierno de México to promote tourism and public relations.

Mexican Government Tourism Dept. (3106 Wilshire Blvd., Los Angeles, California) represents the Mexican Government Tourism Department and is the official tourist office in Los Angeles.

Mexican Government Tourism Dept. (80 N. Stone Ave., Tucson, Arizona) represents the Mexican Government Tourist Department and is the official tourist office in Tucson.

Mexican Government Tourist Dept. (219 Sutter St., San Francisco, California) represents Departmento de Turismo and is the official tourist office in San Francisco.

Mexican Government Tourism Dept. (630 Fifth Ave., New York, New York) represents the Departmento de Turismo and is an official tourist office in New York.

Mexican Government Tourism Delegation (203 St. Charles St., New Orleans, Louisiana) represents the Mexican Government and is the official tourist office in New Orleans.

Mexican Government Tourism Dept. (402 N. St. Mary's St., San Antonio, Texas) represents the Mexican Government Tourism Department and is an official tourist office in San Antonio.

Mexican Government Tourism Dept. (125 S.E. Third Ave., Miami, Florida) represents the Departmento de Turismo De México and is the official tourist office in Miami.

Cannon Advertising Associates, Inc. (9 E. 53rd St., New York, New York) represents Aeronaves de Mexico and the Mexican National Tourist Council as an advertising agency.

A HUNGRY MANufacturer'S GUIDE TO MEXICO

Appetizers

Population	40,000,000
Population under 30 years old	70.5%
GNP (1961-65 average)	+ 6.2%
Peso - stable since	1954
Peso - declared hard currency	1965
General Business*	+ 6.1%

Desserts

Low-cost, productive work force	11,253,418
Miles of paved highways	31,000
Ideal climate & resorts: México City, Acapulco	Gratis

Entrees

Manufacturing*	+ 7.1%
Agricultural output*	+ 3.0%
Petroleum production*	+ 7.8%
Cement production (1960-64)	+ 36%
Electricity production (1960-64)	+ 48%
Exports (millions of dollars)	1,110.7
Imports (" " ")	1,560.2
Exports to LAFTA countries (1960-64)	+ 489%
Net Foreign investment (millions of dollars)	+ 174.2
Personal Savings Accounts (1961-64)	+ 17.7%

*Figures represent percentage increases from 1964-1965

Mexican Specialty

PUBLICIDAD GENERAL, S.A., A TOP MEXICAN ADVERTISING AGENCY WITH U.S. KNOW-HOW AND A PROVEN RECORD OF SUCCESS WITH SUCH CLIENTS AS CHRYSLER, BACARDI AND ALBERTO CULVER. CONTINUITY OF MANAGEMENT, AN UNDERSTANDING OF THE MEXICAN MARKET AND A STRONG CREATIVE FLAVOR, GUARANTEE YOU A SUCCESSFUL DISH. YOU'LL LIKE THE TASTE OF THIS MARKETING ORIENTED AGENCY. WRITE FOR A BROCHURE AND COMPLETE LIST OF CLIENTS TO: E.T. GODDARD, PRES., PUBLICIDAD GENERAL, S.A., PASEO DE LA REFORMA 369, MEXICO, D.F., MEXICO.

MEXICO: CONSULAR DISTRICTS.

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23. DISTRITO FEDERAL

Translation: "Today, savage students struck a heroic granadero." (See pp. 10-15)
Posters by the National Strike Council (CNH) of Mexico

MEXICO

A TRAVELER'S GUIDE TO THE OLYMPICS